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Executive Summary

Introduction

Economic development in Saco in the modern era has emphasized:

- (1) Increasing the number and quality of jobs in the community,
- (2) Diversifying the mix of firms and jobs to avoid dependence on single sectors, and
- (3) Increasing the non-residential tax base.

These goals are implicit in the City's policies and practices of at least the last three decades, and occasionally mentioned explicitly in the Comprehensive Plan and in economic development policies and documents.

The pursuit of these goals has relied heavily on the technique of building and marketing business and industrial parks. Other techniques employed by the City include:

- Financing business expansion (through BSAEDC and tax increment financing);
- Downtown revitalization strategies such as the 'National Main Street Approach,' which is implemented through a public/private partnership called Saco Spirit;
- Strategic real estate investments like that at Old Exit 5 which led to the construction of a hotel/conference center and sports complex; and
- Capital investments such as the reconstruction of Main Street and Pepperell Square, the construction of the Route 1 sewer to the Cascade/Park North Development and neighboring properties, and the Amtrak Station, and the construction of downtown parking lots.

This strategic plan revisits those goals and techniques to determine whether they are suitable for the second decade of the 2000s and what new goals should be developed. Likewise, the techniques to pursue the goals have been revised and enumerated herein.

Vision

One element of many contemporary strategic planning efforts is the development of a vision statement. For instance, the State of Maine now requires that local comprehensive plans include a "vision" or a statement of what we want the community to be in the future

The City already has two adopted goals which address economic development explicitly, and the committee noted these:

City Council Vision:

"Our vision is a high quality of life for Saco citizens. Central to this vision is a sustainable economy that offers an opportunity for everyone to have rewarding employment and for business to prosper, now and in the future. The people of Saco bring this vision into reality by working together and building on our tradition of hard work, dedication and ingenuity."

Planning and Development Department mission statement:

"Assuring high quality and more sustainable development in Saco."

Process

This report was prepared in the last quarter of 2011 by the Saco Economic Development Commission and Development Director Peter Morelli at the request of the City Council. The Council reviewed and adopted the "City of Saco Economic Development Plan" in November 2010 and as part of the adoption asked that the report be revised by the EDC by January 2012. The earlier report was identified in the Council's strategic plan as a goal.

The Commission, along with staff, reviewed and revised the recommendations made in the plan, and the staff updated the body of the report to reflect data which has become available in the past year. Commission members include Glenn Baker, Roger Johnson, and Craig Pendleton, who also worked on the previous report, Andrea Morsehead, Tiffany Hampton, Robert Quentin, Mike Eon, and Robert Tkacik.

Former Mayor Ron Michaud convened in the summer of 2010 an Ad Hoc Strategic Economic Development Plan Committee "to work with the city's Economic Development Director in creating an effective strategic economic development plan for the city."

Former Mayor Michaud identified the following tasks for the staff and committee: Compile a report on the economy in region;

- Compile a report on city, regional, state, and federal economic development efforts;
- Review reports and city policies developed in the Comprehensive Plan, Downtown Plan, Housing Plan and other policies, budget practices, and ordinances;
- Conduct a local economic development strength, weakness, opportunity, and threats (SWOT) analysis;
- Evaluate possible city approaches in key sectors: industrial, office, hospitality, downtown, and others
- Develop a final report and make recommendations to the City Council.

The committee included Former Mayor Michaud Bill Johnson (chair), Lori Irving, Roger Johnson, Will Armitage, Don Lauzier, Ed Hodgdon, Glenn Baker, Craig Pendleton and Rick Michaud. The committee was staffed by Development Director Peter Morelli and Emily Cross, intern in the planning department.

The Committees utilized materials from many sources, including:

- Charting Maine's Future: An action plan for promoting sustainable prosperity and quality places; The Brookings Institution.
- Introduction to Maine's Investment Imperative II: Unleashing the Potential; Maine Development Foundation.
- Making Maine Work: Critical Investments for the Maine Economy
- Report of the Consensus Economic Forecasting Commission (February 2010 and November 2011)
- Comprehensive Economic Development Strategy; SMRPC (June 2010)
- Maine Competitiveness: Moving to a New Economic Development Model (Dec. 2006)
- Saco Downtown Plan (November 2007)
- Saco Comprehensive Land Use Plan Update, Economy Chapter (2010)
- Maine's Economic Outlook: Implications for Real Estate; MEREDA (January 2010) (powerpoint only) and material from 2011 MEREDA conference
- Saco Industrial Development 1967-1980; Huot

Goals

The two committees' consideration of many aspects of economic development in the community, outlined in this report, lead to the recommendation of the following consensus goals for economic development efforts in the city:

To increase the number and quality of jobs available in Saco.

To diversify the mix of firms and jobs to avoid dependence on single sectors.

To increase the commercial tax base of the City.

To strengthen Saco's role as a service center for the region, including the industrial, commercial, office, health and medical, tourism and hospitality, education and retail.

To maintain the vitality of Downtown Saco and expand its role as a commercial, office, retail, residential and service center.

To enhance Saco's role in the Southern Maine tourist economy and expand the range of activities available in Saco to meet the needs of travelers and visitors.

To work cooperatively with Biddeford, Old Orchard Beach, Scarborough, Greater Portland, Arundel, Dayton, Buxton, and regional groups to improve the economy of the region.

To assure that new commercial and industrial development occurs in a way that is visually and environmentally sound and that protects established residential neighborhoods.

To improve communications about economic opportunity in Saco and the region using both traditional and digital strategies.

Recommendations

In order to implement the vision and goals outlined, this report makes the recommendations which follow. The first group includes new recommendations for the city's economic development efforts, developed by both committees; the second group restates longstanding efforts worth continuing.

New Recommendations

- 1. Update marketing efforts with an improved web presence incorporating materials developed previously for the print effort and with other new materials.
- 2. Build a community based website that is visually and vocally appealing to the online community including baby boomers, gen X and gen Y residents. Something similar to sacomainefeatures.com but more focused on goals described in this economic development plan. It could feature:
- Job/Employment Opportunities Year round and seasonal
- Commercial, office, storefront space available within the city
- Downtown Saco businesses and events in connection with the Chamber of Commerce,
 Saco Spirit and any other community based groups
- Tourist recommendations, suggestions and ideas to share with visitors
- Feature businesses, people, students, city officials etc.
- Highlight all the positives that Saco is doing i.e the light bulb program, 2011 Playful City USA, National Tree City Etc.
- 3. A print marketing program of sufficient frequency could help the City create a positive image as a business location. The marketing program could be extended with an advertising budget large enough to allow a frequent continuous presence in selected publications read by business leaders. The present focus will be on less expensive digital media until funding for print can be developed. Print efforts should be designed to complement digital efforts and targeted at an older audience. Future TIF revenues and proceedsfrom lot sales should allow such efforts in the future.
- 4. To get the word out about the community web page, utilize the social media platforms to post city-related links, stories and messages
- Facebook Have a Saco Economic Development Page
- Utilize already successful pages such as the Saco Maine Page, Saco Spirit, Biddeford Saco Buy Local and the Chamber pages to get the word out and increase visibility
- Set up a twitter account Utilize Hashtags such as #Maine, #Saco, #Business, #Jobs #small #Business etc
- Linkedin Setup an account, group and connect with both employees, business owners and corporations Online Networking
- Photo and Video blogging You tube Flickr etc.

- 5. The health of the Saco economy is closely tied to the economic health of the entire region. Therefore, the City should continue to work cooperatively with the cities of Biddeford, Scarborough and Old Orchard Beach, with Greater Portland, and with regional economic development organizations such as the BSAEDC and SMRPC and the Chamber of Commerce to foster the economic prosperity of the region.
- 6. Update the city's Electronic Media Policy to endorse this activist approach to digital media.
- 7. Utilize Search Engine Optimization (SEO) to get the word out in as many places as possible.
- 8. UNE has a major and growing presence in the community and is strategically involved with the growing health and medical sectors in the region. In addition, its students are residents of the community and customers for our businesses. The City should cultivate its relationship with UNE continuously. An online survey of UNE students and high school graduates should be used to help determine what would, improve their chances of staying in the area.
- 9. UNE's strength in various medical disciplines, along with the growing presence of Southern Maine Medical Center, Maine Medical Center, VNS, and several orthopedic and physical therapy groups is evident in Saco. Medical uses have been growing generally in the region. The city should include in its efforts a focus on growth in medical and allied fields
- 10. Saco's core is attractive for downtown living. Additional housing in the downtown might assist the city in attracting young residents and would help provide additional customers for downtown businesses. Residential development in the downtown and Saco Island should be encouraged.
- 11. A new pedestrian bridge over the Saco River, from mill district to mill district, should be considered by the two cities and the mills district stakeholders and constructed if warranted.
- 12. The Biddeford Saco Chamber of Commerce and Industry has many roles in the community, including an important role in tourism. The Chamber is now working with the state's tourism region program and local tourism-related businesses, including hotels and theme parks, to promote tourism in the region. Collaboration and weekend packages are among the possible areas for improvement. The City should support these Chamber-led efforts.
- 13. There are additional tourism opportunities at Camp Ellis and the beach. Fishing excursions have been identified as an area to be encouraged. Beach use is another. Kayak rentals are growing and should be encouraged, and ferry is being considered.
- 14 A lack of summer workers for tourism oriented businesses has been identified. Funtown Splashtown USA, others who employ summer workers. The Maine Department of Labor, and

the Chamber should work with the high schools to help identify people in the community for summer work.

- 15. The local credit unions may have an interest in a consortium for small commercial lending. The BSAEDC has worked with the mutual savings bank on a consortium and might provide the structure for a similar joint effort for the credit unions.
- 16. The City has developed a green brand in recent years with its environmental innovations and "America's first green Amtrak Station." This green brand has potency and should be used in marketing and promotional efforts.
- 17. Focus on developing an appropriate mix of merchants and other businesses that will attract customers to the downtown.
- 18. The Economic Development Commission should report on progress on this plan each year and update it when needed.

Continuing Recommendations:

- 1. The business visitation and retention program is an effective way to learn about the needs of current businesses in Saco and occasionally to hear about expansion and relocation, and to develop leads. This program has focused on businesses in the industrial parks in the past. It should also include small one and two person businesses with growth potential.
- 2. Several commercial real estate brokers maintain relationships with businesses in the region and know of companies' expansion plans. The city has used frequent communication and the incentives of a real estate commission to tap this resource to identify expanding businesses and other leads, assist in their relocation, and to sell many of its industrial park lots. The use of this important technique should continue.
- 3. Biddeford Saco Area Economic Development Corporation (BSAEDC) provides a valuable asset to Saco and the region's businesses by providing business financing and, with SMRPC, brownfields clean up loans. Support for these helpful programs and organizations should continue. A Saco downtown fund should be developed with BSAEDC when resources permit.
- 4. The City has made sophisticated use of Tax Increment Financing (TIF) to develop business parks, to assist business financing, downtown rehabilitation, and to solve infrastructure and utility issues for relocating or expanding businesses. The judicious use of TIFs should continue. The City's TIF policy should be reviewed, and, if necessary, revised.
- 5. The state's Community Development Block Grant (CDBG) program, the federal Economic Development Agency (EDA) program, and other state and federal programs have occasionally provided funds for industrial park expansion, downtown neighborhood

rehabilitation, revolving loan funds, and direct loans and grants to businesses. The City and the BSAEDC should continue to pursue the resources in these programs to leverage local resources.

- 6. Saco Island's redevelopment has long been encouraged by the city with flexible zoning, TIFs, real estate transactions, the transportation center, grants, and other support. The redevelopment of the island for both housing and office/commercial uses should continue to be pursued both for the development itself and for its positive impact on the downtown.
- 7. The city code creates a system with the Economic Development Commission and an economic development fund to build and manage business parks. This system has proven itself since 1985 and should be continued.
- 8. Maintaining and improving downtown Saco is an integral part of the city's economic development strategy, and a shared responsibility with the business community and Saco Spirit. The City should continue to support and work closely with Saco Spirit and the Chamber of Commerce.
- 9. The City has worked closely with the Dyer Library/Saco Museum to create heritage tourism attractions and tours, such as the colorful "Main Street Walk" panels, the National Register District walking tour, the new permanent history exhibition at the museum, and the forthcoming Saco 3-D panels. The City should work with community groups on heritage tourism attractions.
- 10. The Biddeford Saco Area Economic Development Corporation has worked with the Chamber, Saco Spirit, and Heart of Biddeford on the Buy Local program, which has the potential to assist Saco businesses. Support for this program should continue.
- 11. Since there is a limited supply of prepared sites in Southern Maine for economic development, the City of Saco should continue its business park program to provide a continuous supply of suitable development sites that are serviced by public water and sewerage. As part of this effort, the City should consider acquiring and land banking suitable parcels for future development sites for manufacturing, distribution, research, large scale office and similar high quality economic activities, as these sites become available on the market.
- 12. Attracting new businesses to Saco and accommodating the growth of existing businesses requires that the City continue to fund an ongoing economic development program.
- 13. The Route One Corridor north of the I-195 Spur currently plays a variety of economic roles and is the location of a number of car dealerships and commercial recreational facilities. This area offers significant potential for the future commercial growth of the City and should be reserved for a wide range of retail, service, office, and light manufacturing uses which require a large amount of area and are therefore inappropriate in the downtown.

The City is already recognized in the real estate community for its generally efficient permitting and for the delegation of state site law permitting. The permitting process was recently enhanced by the publication of a guide to the planning and permitting process. Continuous monitoring of feedback from users is also important.

2. The Regional Economy

Economic forecasts at all levels continue to forecast weakness.

National and Northeastern Economic Environment

The September 2011 "Beige Book" of the Federal Reserve Bank noted that "Reports from the twelve Federal Reserve Districts indicated that economic activity continued to expand at a modest pace, though some Districts noted mixed or weakening activity... Business activity in the Boston and Philadelphia Districts was characterized as mixed."

This mixed, up and down pattern of the economy and the economic outlook has persisted since the start of the recession in December 2007, and continued during the past 48 months. At the national level, a housing bubble and a banking crisis were major manifestations of the recession. Both were related to sub-prime lending, which had become common, and led to large numbers of housing foreclosures in many states, higher unemployment, a large drop in manufacturing output, and a huge drop in consumer demand. Internationally, oil prices remain high leading to a disproportionate impact in Maine, which is even more oil dependent than the country as a whole.

Statewide Economic Environment

"National and state

In Maine, a major source of information on the state's economy is the "Report of the Consensus Economic Forecasting Commission," which is presented periodically by a committee of five state, university, and private economists. The November 1, 2011 report included these observations:

economic conditions have shown little to no improvement over recent months. Maine's economic activity index shows weak growth and remains well below prerecession levels. Many other states have seen a slowdown in what was already weak growth.

Nationwide, consumer sentiment and small

<u>Unemployment</u>	<u>Saco</u>	York County	<u>Maine</u>	<u>USA</u>
Jan-Sept 2011	n/a	6.8%	7.6 %	9.0 %
2010	6.8	7.6	7.9	9.6
2009	6.9	7.6	8.0	9.3
2008	4.2	4.9	5.4	5.8
2007	3.7	4.1	4.6	4.7
2006	3.5	3.7	4.6	4.6
2005	3.5	4.1	4.8	5.1
2004	3.3	3.9	4.6	5.5
2003	3.4	3.0	4.9	5.1
2002	2.9	2.7	4.6	4.4
2001	2.7	2.5	3.6	4.0
2000	1.9	2.5	3.5	4.0
Source: Maine Department of Labor, Division of Economic Analysis & Research				

business optimism have both declined over the course of the year. According to the US Bureau of Economic Analysis, personal income in Maine was 3.9 percent higher in the second quarter of 2011 than it was in the second quarter of 2010. The Consumer Price Index was 3.8 percent higher in August 2011 than it was in August 2010. After rising on a quarter-over-quarter basis for three straight quarters, the price of a barrel of oil fell 12.5 percent in the third quarter of 2011. Since the end of the homebuyer tax credit in May 2010, home sales in Maine and the US

have fallen on a year-over-year basis in three of the last four quarters and are just slightly above the bottom reached in early 2009. After hitting bottom in February 2011, housing permits in Maine inched up to about where they were in January 2009. Home prices in the Portland metropolitan area increased 1.0 percent year-over-year in the second quarter of 2011. Foreclosure starts and mortgage delinquencies remain well above pre-recession levels but below peak crisis levels."

"The November 2011 forecast continues to see little progress in the national and state economic recovery through 2012, partly due to the European debt crisis and the expected recession in the euro zone. The revised forecast lowers the expectations for wage and salary employment growth through 2014. Personal income growth was generally revised downward for the near term. After an upward revision to growth in the Consumer Price Index (CPI) for 2011, the November forecast made a large downward revision for 2012, a slight downward revision in 2013 and no changes for 2014-2015. The downward revisions for CPI growth in 2012 and 2013 are due to reduced expectations for global economic demand growth and the relatively high prices for food and energy seen in 2010 and 2011."

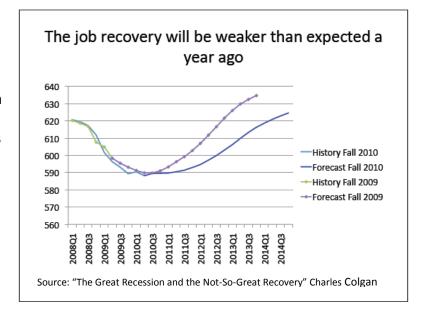
"The April 1st 2011 report of the Consensus Economic Forecasting Commission stated that personal income in Maine grew modestly from 2009 to 2010. Although income in Maine from dividends, interest, and rent decreased slightly from 2009 to 2010, corporate profits remain historically high around the country. Personal income growth has been revised upwards for 2011, based on the federal Social Security tax cut of 2 percentage points, followed by a downward revision for the remaining forecast years."

The report continues:

"Home prices in the Portland – South Portland – Biddeford metropolitan area rose 8.3%

in the fourth quarter of 2010 compared to the fourth quarter of 2009. This marked the fourth consecutive quarter of over-the-year price growth following 15 consecutive quarters of anemic growth (less than a 1% increase) or declines."

"The Consumer Price Index has been rising on an over-the-year basis since November 2010 following an eight-month trend of zero or negative growth. The commission...made a slight upward revision in 2011 to its forecast of the Consumer Price Index (CPI), due to the increase in energy prices. CPI for 2012 and 2013 was revised downwards slightly, with 2014



and 2015 left mostly unchanged, reflecting an assumption that oil prices stabilize in the longer term."

In addition to the Consensus Forecast, economist Charles Colgan of the Muskie School of Public Policy stated in his annual economic forecast for the state of Maine that, "Job

recovery will be weaker than expected a year ago" However, "With the payroll-tax-cuts package, my back-of-the-envelope prediction is 1.2 percent employment growth in Maine in 2011, 3 percent in 2012 and 2.9 percent in 2013."

Regional and Local Economic Environment

In 2010 the regional transportation planning agency PACTS worked with Saco, Biddeford, and Old Orchard Beach on a regional transportation plan. As part of that plan the firm Planning Decisions prepared an economic and development forecast for the tri-city region. The forecast is oriented toward predicting the level of growth so that transportation planning decisions can be made. A summary follows:

1. Basic Assumptions about the Economy

- It is likely to take three to five years to work our way out of the recession and return to pre-recession conditions.
- ➤ In the five to ten year timeframe (2015-2019), growth will re-emerge but it will be at a much slower rate than during the 2000-2008 period.
- ➤ In the ten to twenty year time frame (2020–2029), the forecast reflects an assumption that growth and development will occur at a rate that is higher than the 2015-2019 rate but still below the pre-recession rate

Assumptions about Economy

- 3-5 years: Return to pre-recession conditions.
- 5-10 years: Growth slower than 2000-2008 period.
- 10-15 years: Growth at 40-50% of pre-recession rate.
- 15-20+ years: Growth at 60-75% of pre-recession rate.

2. Development Assumptions

Planned projects completed as approved over the next 20 years. Includes:

- Redevelopment of the Biddeford Mill district
- Redevelopment of Saco Island
- Development of the Park North project in the Cascades/Route One area of Saco
- A number of smaller developments
- Approved projects not yet under development or in planning pipeline

Combining the economic and development assumptions results in the following sectors:

Retail Land Use

The construction of the Biddeford Crossing development and related "big-box" development in the Route 111 corridor in Biddeford has saturated the retail space market in the Tri-Community area for the foreseeable future. While there will continue to be small growth in this category over the next twenty years as existing operations upgrade and expand and new operations enter the market, these will be limited in scale and will likely be located within existing commercial districts.

Industrial-Office Land Use

Activity in this category of land use will be strongly influenced by the state of the local and national economy and related employment growth. The forecast envisions moderate growth in

this category with most development occurring within established industrial/business park areas and the major developments already in the pipeline.

The overall basic forecast through 2019 is summarized as follows:

Saco:

- 1,425 units of housing
- 110,000 square feet of retail, restaurant, and service-sector commercial
- 120 hotel rooms
- 20,000 square feet of entertainment-related facilities
- 650,000 square feet of light industrial/warehouse space

Old Orchard Beach:

- 1,100 units of housing
- 90,000 square feet of retail, restaurant, and service-sector commercial
- 50,000 square feet of light industrial/warehouse space

➤ Biddeford:

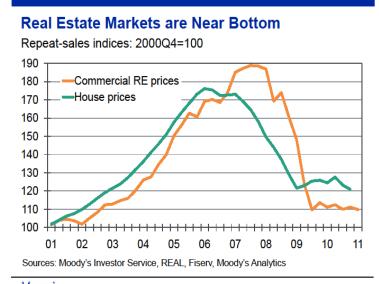
- 525 units of housing
- 1,200 dormitory style (UNE/etc.) housing
- 150,000 square feet of retail, restaurant, and service-sector commercial
- 50,000 square feet of college athletic complex
- 100,000 square feet of medical office facilities
- 500,000 square feet of light industrial/distribution space
- 250,000 square feet of office/service space (End Planning Decisions forecast)

Real Estate Forecast for Southern Maine

Much of the activity of local governments, including Saco, in economic promotion involves various interventions in the commercial real estate market. The construction and sale

of prepared business park lots has proven to be a powerful catalyst for economic development in Saco, Biddeford and Greater Portland since the 1960s. Therefore the real estate market is a particularly important area for this economic development plan to consider.

A major milestone in the economic development and commercial real estate field each February is the MEREDA (Maine Real Estate and Development Association) annual forecasting conference. The Portland conference features analysis of the southern Maine market by commercial brokers, economists, and appraisers.



Moody's

At this year's conference, economist Charles Lawton commented on the state of the economy saying, "best estimates show 2011 getting us back to 96% of where we were when the recession began. The weakest area of recovery has been non-residential construction. There is lots of vacancy in non-residential space and new construction has been discount storeoriented, with much of that the repurposing of existing buildings.

The brokers presenting had little optimism.

Drew Sigfidson of CB Richards Ellis/The Boulos Company presented on the state of the office market. Sigfidson reported that "with a total market size of 11,582,458 + sq. ft., the Southern Maine office market finished 2010 with 1,297,006 + sq. ft. available for lease, a vacancy rate of 11.19%. Despite the fact that these new totals represent an approximately 250,000 sq. ft. of additional vacancy from the previous year, overall vacancy rates in the market are low historically and our market swings are restrained, making for a very stable market from an investor perspective. The national office vacancy rate is currently 16.4%, in comparison.

Sigfridson said that suburban office markets continue to outperform downtown areas and there is strong growth in energy and health care. Market confidence is increasing, rents are stabilizing and steady, gradual improvement will start to occur. We are not looking at a booming 2011, he said, but certainly a better market than in 2009-2010. Rents will be stable to slightly decreased and aggressive office landlords will continue to offer incentives. The highest quality spaces will be leased at lower rates and smart companies will take advantage of the down market. Downtown vacancies will increase as the suburban market continues slow recovery."

In the industrial sector, Greg Perry of the Cardente Real Estate Group was the primary presenter. A summary of his presentation follows. "The Southern Maine industrial market got off to a slow start in 2010, but there was more activity than in 2009 and the year overall was rescued by a strong 4th quarter. It was an excellent tenant's market in part due to landlords making significant concessions. There was an increase in flexible space leases and sales. Very limited new development helped to steady lease rates and sale prices." Looking toward 2011, "Perry sees a continuation of the excellent tenant's market and absorption of existing newer space. In addition, he also forecasts:

- Limited investment sales
- Steady lease rates and sale prices
- An uptick in flex unit sales, leases and developments
- Continued vacancies at functionally obsolete industrial buildings
- Good opportunities for owner-users thanks to lower construction costs

Broker Mark Malone presented on state of the retail market. He noted that "in the first half of 2010, increased vacancies and lower lease rates gave savvy retailers access to improved locations and upgraded facilities, while others gained access to prime locations that previously were out of reach. In the second half of the year, landlords of prime space in southern Maine were finally able to turn their focus from saving tenants by slashing rates or forgiving rent to filling vacancies and stabilizing income."

Malone remarked that "while there was encouraging news in declining vacancy rate and increased absorption rates last year, the not so encouraging news is that vacancy dropped mainly due to a few large deals, and the bulk of the market is still struggling. In fact only 25% of the space that was available at the end of 2009 was leased at the end of 2010."

"In terms of new construction, Malone said that with 500,000 sq. ft. still available, construction is unlikely to rebound in the near term. However, the overriding trend nationally and locally is more upbeat, with an increasing sense of stability in the retail market as consumers gain confidence. Looking to 2011, Malone predicted that:

- Vacancy rates will remain flat in the 8% range.
- Lease rates for prime space will remain flat while those in secondary locations will drop and include even greater incentives.
- New construction will stay at current level or decline further.
- The majority of growth will be in value-oriented (e.g., "dollar" stores) and needs-based retail such as technology, apparel and personal care.

Investment sales will increase as lenders loosen up and some owners are forced to sell. Further integration of traditional retail and the internet, smart phones and social networks will continue to grow, which will likely have an impact on the size of stores.

An Appraiser's Take on the Industrial Park Sector

The Portland firm of Mainland Consultants until a few years ago tracked industrial park real estate sales. Therefore we asked principal Dirk Thomas about that firms recent data on sales. The activity for buildings in the industrial sector seems to be picking up, Thomas said on November 14, 2011. He's seen a number of building sales in both Greater Portland area and Saco/Biddeford. "Generally they are owner user properties," Thomas said.

"Prices however are not trending up. They are static to slightly declining. Few new construction projects are happening since existing buildings are selling at below cost levels," he continued.

"On the leasing front it seems to be "back to the future." Rents are back to where we saw them in the 1990'sand 2000's. In general they have declined back to the \$3.50 to \$4.00 range," Thomas said.

"There may have been isolated land sales but none come to mind. Buildings are selling below cost so most companies are acquiring existing buildings.

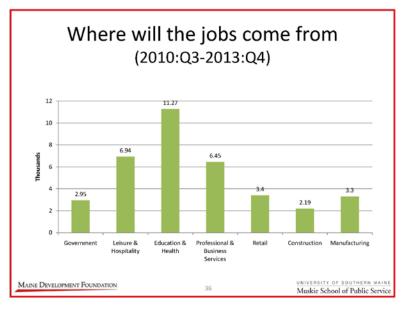
In June 2010 Thomas said, "I went through our data base to look for sales and found just a few, all were prior to 2008. We don't track the parks anymore but we have observed that few lots have been sold. As the economy entered recession, no companies were expanding and needing newer more modern facilities. In fact, existing building were being sold for less than the cost of development. So, most transactions were for improved properties not lots for development. Suffice it to say that as economic activity slowed no incentive existed to undertake new overhead. Couple this with a difficult financing environment, development of new buildings in parks stopped."

Long term growth areas

In Charles Colgan's York County employment trend forecast, he predicts moderate growth in total employment from 2010 to 2035 (10.2%), as well as a 13.5% increase in private non-farm employment. The increase in employment for the private sector is crucial for the growth in total employment with fewer opportunities anticipated for employment in the public sector from 2010 to 2035.

Of the anticipated total employment, Health Care and Social Assistance (74.4%) and Educational Services (61.4%) are anticipated to be the fastest growing sectors over the forecast period. In addition to these two categories with a percent increase exceeding 50%, Colgan predicts more than a 20% increase in employment for the following five categories: Transportation and Warehousing (38.5%); Real Estate and Rental and Leasing (41.8%); Professional and Technical Services (21.9%); Arts, Entertainment, and Recreation (49.3%); and Other Services, except Public Administration (34.7%).

According to the report, there are also foreseen decreases in employment for the following four categories: Forestry, Fishing, Related Activities, and Other (-37.4%); Manufacturing (-23.7%); Wholesale Trade (-33.4%); and Federal Military (-29.1%). Colgan did the forecast for a current Greater Portland transportation study.



Employment Projections

2000 / 1 - -

2000 - 2009 (+ or - 20%)		
Category	% Increase/Decrease	
Manufacturing	-30.6	
Health Care and Social Assistance	19.7	
Finance and Insurance	19.9	
Federal Military	22.5	
Other Services, except Public Administration	25	
Federal Civilian	28.1	
Real Estate and Rental and Leasing	30.4	
Information	34.5	
Educational Services	37.6	
Administrative and Waste Services	40.6	
Transportation and Warehousing	66.2	
Management of Companies and Enterprises	96.2	

2010 - 2035 (+ or - 20%)

Category	% Increase/Decrease
Forestry, Fishing, Related Activities, and	-37.4
Other	
Wholesale Trade	-33.4
Federal Military	-29.1
Manufacturing	-23.7
Professional and Technical Services	21.9
Other Services, except Public Administration	34.7
Transportation and Warehousing	38.5
Real Estate and Rental and Leasing	41.8
Arts, Entertainment, and Recreation	49.3
Educational Services	61.4

MATERIALS FROM 2011 MEREDA REAL ESTATE FORECAST

OUTLOOK FOR 2011

- · Limited investment sales
- · Steady lease rates
- · Steady sale prices
- Uptick in Flex Unit sales/leases & development
- · Continued vacancy at functionally obsolete industrial buildings
- Lower construction costs- good opportunities for Owner-Users
- · Excellent Tenant's market
- · Absorption of existing newer space expected in 2011



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NOTABLE DEALS FROM 2010

- The Mills at Pepperell, LLC purchased 713,000±SF of Industrial/Mixed Use space at 1 York Street in Biddeford.
- Scarborough Medical, DST purchased 109,089±SF at 10 Southgate Road in Scarborough (Scarborough Industrial Park) for \$11,025,000.
- WASCO Products Inc leased 105.000±SF at 90 Spencer Drive in Wells.
- · Village Candle leased 125,000±SF at 90 Spencer Drive in Wells.
- Binax leased 102,833±SF at 10 Southgate Road in Scarborough.
- Paradigm Operating Company leased 46,733±SF at 56 Milliken Street in Portland.



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2010 LAND PRICES

 • Greater Portland
 \$60,000 - \$115,000/acre

 • Biddeford/Saco
 \$30,000 - \$50,000/acre

 • Sanford
 \$25,000 - \$45,000/acre

• Lewiston/Auburn \$40,000 - \$65,000/acre



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NOTABLE DEALS FROM 2010

- Walmart leased 35,000±SF at 446 Riverside Industrial Parkway in Portland.
- Mazzetta Seafood leased 30,000±SF at 82 Read Street in Portland.
- Precision Manufacturing Solutions, Inc. leased 27,684±SF at 362 Hill Street in Biddeford
- Allagash Brewing leased 27,032±SF at 21 Rice Street in Portland.
- \bullet Scholastic Book Fair renewed its lease of 20,400±SF at 33 Spring Hill Road in Saco.
- Good Shepherd Food Bank leased 20,000 \pm SF at 111 Pine Tree Industrial Parkway in Portland.



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3. Current Practices: Saco and Regional Economic Development Practices

Saco began its program of building industrial and business parks in the late 1970s and early 1980s. The pattern of development which began then and continues now has been successful in diversifying the tax base and adding jobs to the local economy. Likewise, Biddeford and the Greater Portland Building Fund have utilized the same formula and built extensive industrial parks.

The Saco Method of Business Park Development

The keys to Saco's practice were embodied in the early and mid-1980s in the covenants to the industrial park, in the duties assigned to the Economic Development Commission in the City Code, and in the creation of the Economic Development Fund. They have been refined over the years. Staffing assistance to the effort has been provided in one form or another throughout. Grants to construct the parks that the city was unable to obtain previously became the norm in recent efforts.

While Saco has come to take these practices for granted, they were controversial at first, and considered impossible in nearby jurisdictions, such as Sanford, where private concern about competition with the private sector has inhibited the construction of business parks. The older Saco Industrial Park now has over 1067 jobs. The newer Spring Hill Park has 341 jobs. (November 2010)

The model calls for the city to acquire property, to build roads and utilities, to sell the lots to businesses to build plants and offices. These lots are subject to covenants which attempt to avoid polluting and noxious uses and other companies which might not fit well with their anticipated neighbors, to favor companies with higher employment, and especially to encourage companies that will create higher taxable property values with their buildings. The covenants also regulate the appearance of buildings, by requiring a front façade that is more than a simple metal building and by requiring landscaping. Other provisions of the covenants limit speculation by requiring that buildings be built within a year or two, so that lots won't be sold without buildings following quickly. The covenants have been refined for each park and are now in their third incarnation. Because the parks are already approved by the DEP, approvals for new buildings come quickly.

Why the Municipal Role?

The reasons for this municipal intervention in the commercial real estate market are simple. Sites and buildings are needed to attract companies or to allow local companies to expand. The planning, financing and construction of business parks is seldom feasible by the private sector because the build-out is long and the sales prices are too low to support the private debt. For the City, repayment is through lot sales and occasionally TIF payments.

Sometimes the City is better able to finance parks because it is subsidized by grants, such as those from the Economic Development Administration, which pay a portion of a park's cost. The remainder is funded through internal financing or bonding at favorable rates with appropriately long time frames. Saco has been the recipient of two of the only three EDA grants

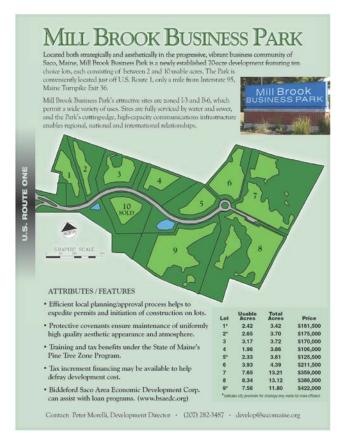
for industrial parks in York and Cumberland Counties in the last two decades. The funding was \$590,000 for Spring Hill and \$800,000 for Mill Brook

Because the revenue from lot sales seldom exceeds the cost of construction, at least when the cost of conventional financing is factored in, the City's ability to plan for longer timelines is essential. In addition, the City receives benefits over a longer time frame. Beyond the period of planning, construction, finance, and initial sales and development, the city receives a long term "annuity" in the form of property taxes and increased employment in the community.

Very few private business parks have been developed in southern Maine. The Enterprise Park in Scarborough is one of the few nearby. It did well in its early years, but has been very slow to sell in recent years. In Saco a portion of the Park North development is a business park.

Sometimes the covenants have led to difficult choices. The first potential purchaser in the Spring Hill Park was a York County based fish wholesaler and processor. After a vigorous debate, the Economic Development Commission determined that the firm might not be compatible with its efforts to sell the next 23 lots.

The City Code delegates the sale of lots to the Economic Development Commission, based on prices set by the City Council. The Commission also reviews the building design and site plan to assure compliance with the covenants.



Buyers and brokers have generally preferred dealing with the EDC rather than dealing with political bodies, as required in some nearby cities.

Two methods for lot sales have been the most reliable, although other types of marketing have also been tried. First, in its business visitation program, the City staff visits with local companies, business people, current industrial park tenants, and others, and assesses their real estate needs. There are very few moves or expansions, but Saco gets a share of them.

Second, the City cultivates commercial real estate brokers who are frequently a part of any site search or real estate deal. The City maintains an open listing, available to any firm or broker. The brokers receive a nine percent commission (eight percent in Spring Hill) for any successful lot sale in the parks. This was very successful in the Spring Hill sales effort, which was well timed for an expanding economy in the early 1990s. Three to five lots were sold each year.

A third way of marketing lots might be called, all other. In addition to the leads generated from visitations and brokers, many leads are generated by networking in the community, by

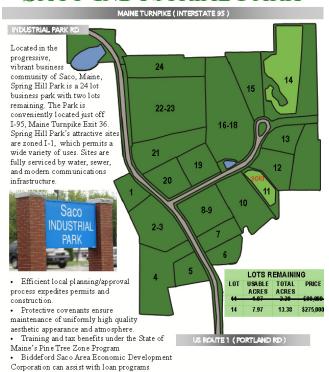
referrals from the BSAEDC or the Chamber, by referrals from colleagues in nearby communities or state officials, and general community contacts.

Lot Sales

Sales have been very slow in the newer Mill Brook Park. Similar methods to those which were successful in Spring Hill, have yielded only one lot sale in the slower economy. A second lot, in Spring Hill Park, was sold in December 2011, for a speculative, flex building. Is this a hint of improvements to come. Justin Lamontagne, the Dunham Group broker who will give the industrial outlook presentation at the 2012 MEREDA conference thinks it might be. "It's the ONLY industrial spec building planned for '12 that I know of. And, based on my research and analysis of vacancy rates, Saco is the spot to do it. Very low supply in the park and elsewhere," Lamontagne said in an email.

The, the only private business park in Saco, Chamberlain's Park North, has not sold any lots in the past few years. A review of the regional economy section indicates that there is little business expansion in the region in recent years and many buildings on the market are available at bargain prices for the few businesses which are expanding. These are better deals for buyers.

SPRING HILL SECTION SACO INDUSTRIAL PARK



Contact: Peter Morelli, Development Director • (207) 282-3487 • develop@sacomaine.org

Broker Greg Hastings, the most active commercial broker in Saco who made over half of the sales in Spring Hill, said at a recent conference: "New construction is not really a good option for companies," when there are buildings to be rented at good lease rates.

"Some markets, like the Biddeford-Saco market, have several years of supply of available space, with over 100,000 square feet of available space that will take a couple years to work through in that market. So it will be particularly tough in that part," Hastings said.

In addition to the older vacancies, new buildings are having trouble finding tenants. A new building in Elliot Chamberlain's Cascades development took over one year to find tenants. The sole building in the Mill Brook Park is now fully occupied, but some of the tenants are unorthodox for a business park.

Chamberlain's adjacent business park remains undeveloped because of lack of sales and is now being offered for sale as whole, 55 acres for \$650,000.

Industria	al Park Lot Sales 2008 To Presen	t		
Location	Park Name	Sale Date	Pri	ce
SACO				
11 MILL BROOK RD	MILL BROOK BUSINESS PARK	4/4/08	\$	123,840
72 INDUSTRIAL PARK RD	SACO INDUSTRIAL PARK	7/7/08	\$	215,000
Lot 11, WILLEY ROAD	SPRING HILL PARK	12/15/2011	\$	85,000
GORHAM				
11 CYR DRIVE	NEW PORTLAND PARKWAY	2/26/08	\$	99,900
16 CYR DRIVE	NEW PORTLAND PARKWAY	10/20/09	\$	99,900
29 CYR DRIVE	NEW PORTLAND PARKWAY	3/12/10	\$	120,000
54 OLDE CANAL WAY	OLDE CANAL PLACE	12/1/08	\$	154,955
2 GORHAM INDUSTRIAL PARK	NEW PORTLAND PARKWAY	10/14/2010	\$	193,000
SCARBOROUGH				
700 TECHNOLOGY WAY	ENTERPRISE BUSINESS PARK	3/24/08	\$	175,000
WESTBROOK				
EISENHOWER DR	FIVE STAR INDUSTRIAL PARK	4/11/08	\$	-
75 EISENHOWER DR	FIVE STAR INDUSTRIAL PARK	6/12/09	\$	720,000
SACO, PARK NORTH	None			
SOUTH PORTLAND	None			
SANFORD	None			
BIDDEFORD	None	<u> </u>		

In addition to direct sales to end users and working with brokers, the City has tried several other marketing approaches. The State of Maine in 1999-2001 provided marketing money targeted for advertising, direct mail and trade shows. The Biddeford Saco Area Economic Development Corporation, in cooperation with the two cities, designed excellent marketing materials. It made two large distributions of a total of 19,000 packages to New England high tech companies. This was accompanied with several ads in Mass High Tech, the best regional publication for expanding companies. Response to the ads and direct mail was zero. An accompanying program of attending trade shows, yielded a handful of leads, but no sales, although the trade show method seems a bit more promising. A more recent targeted mailing to dozens of solar oriented businesses also drew no response.

The staff has tested advertising in Maine Biz and the Portland Press Herald with similar poor results. The City staff is convinced that one time advertising is not effective. Perhaps a program of image advertising, repetitive and in several different media could have some long term impact. Lewiston and Auburn appear to have benefitted from using this approach. The Chamber made a tentative start on such a project with its branding program two years ago, but that appears to have stalled. The economic development marketing effort on the city's web site is dated, and is being updated. The City is also beginning its first tentative steps with social media for marketing.

Current Tax Base and Tax Base Growth

The following tables display the changes in the City's tax base from 1994-2010:

Commercial & Industrial Residential & Other Assessed Value

1994		
	Percent	
Value (\$)	of Total	
175,045,236	24.9	
525,708,895	75.1	
\$700,754,131	100.00%	

1999	
	Percent
Value (\$)	of Total
206,895,989	25.2
612,985,265	74.8
\$819,881,254	100.00%

Commercial & Industrial Residential & Other Assessed Value

2004		
	Percent	
Value (\$)	of Total	
351,296,743	19.9	
1,411,856,811	80.1	
\$1.763.153.554	100.00%	

2009		
	Percent	
Value (\$)	of Total	
515,297,345	25.1	
1,537,375,720	74.9	
\$2,052,673,065	100.00%	

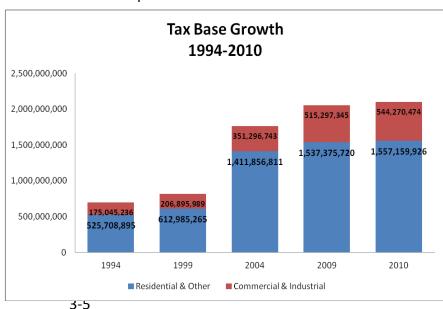
Commercial & Industrial Residential & Other **Assessed Value**

2010			
	Percent		
Value (\$)	of Total		
544,270,474	25.9		
1,557,159,926	74.1		
\$1,763,153,554	100.00%		

Beyond Business Parks - Other Activities and Practices

While the development of industrial and business parks has been one of Saco's most

successful strategies, the City is active in many other areas of economic development. Twenty years ago the two cities and the Chamber determined that small business lending needed additional attention and created the Biddeford Saco Economic Development Corporation as a response. It has made over \$5 million in loans in the region since 1994 and is a key component of Saco's economic development efforts.



In 1998, the city prepared a downtown plan and determined that a new organization should be created to employ the trademarked Main Street Method of downtown redevelopment. As a result, Saco Spirit was founded, again by private-public partnership, and has had a key role in downtown development since.

The next sections of the report describe the cities other economic development practices, and profile the BSAEDC, Saco Spirit and other local and regional partners in economic development.

Siting and Governmental Assistance

In addition to directly providing sites in its business parks, the city's development staff often helps businesses find private sites in Saco. This occurs in the business, commercial, office, and industrial sectors because each type of business has unique needs and each business owner has particular preferences. City initiated business parks cannot meet all the needs.

Expanding and relocating businesses frequently lack expertise in permitting and zoning matters. The development and codes staff are often able to provide informal guidance, taking the mystery out of the system. Furthermore, the Planning Department is preparing a Development Process Guide/Manual to assist permit seekers.

Expanding businesses are often unaware of financial resources and permitting issues at the State and Federal level. The City frequently helps the business navigate these waters.

Tax Increment Financing (TIF)

Tax Increment Financing (TIF), is a local economic development project financing tool that designates a geographic area as a municipal development district. The City has the option of using the incremental taxes that result from the commercial investment and corresponding increase in property value to construct infrastructure for the project, to return to the developer in the form of a credit enhancement agreement, or to finance other eligible local economic development projects. The Saco Island TIF, for instance, has been a major source of funding for the Main Street rehabilitation and for the Amtrak Station.

Coupled with a private partnership, the TIF can be a powerful tool. Elliot Chamberlain has constructed a nearly \$3 million sewer extension that will serve not only his Park North project, but hundreds of Route 1 acres around his project. The City has wanted to build the sewer for two decades, but could not fund it. Chamberlain fronted the money and will be repaid from 50 percent of the tax revenues from his development, which the city would not have received otherwise.

Some other TIFs: The Spring Hill TIF, First light TIF, Transparent Audio TIF, Saco Plaza TIF, Incon/Franklin Fuels TIF, Park North TIF, Industrial Park Road TIF.

Infrastructure Assistance

Occasionally businesses, locating or relocating within the city, have special needs relating to sewers, roads or other infrastructure. The city is frequently able to assist the businesses in solving these. At Saco Plaza, where the Ramada Inn is now located, additional sewer capacity was needed in order to be built. The City was able to assist by using TIF financing in order to improve the sewer. The IMAX Theater faced major road reconstruction costs demanded by Maine Department of Transportation (MDOT) and the city was able to help by using TIF funding.

Business Visitation Program

In addition to the occasional staff visits to local industries, from time to time a more formal visitation program is undertaken. This has been a source of referrals and expansion information.

Economic Development Fund

The Economic Development Fund, created under City ordinance to fund the construction of business parks and other economic development activities, is now chiefly funded by TIF proceeds and the income from business park lot sales. In the past, Urban Development Action Grant (UDAG) repayments and Community Development Block Grant (CDBG) repayments were used to build the fund, but neither one is currently available.

Internal Borrowing for Infrastructure

Inter-fund borrowing is the movement of revenue from one fund into another. This generally takes place when a fund is nearing a zero cash balance but still has expenses to pay. Revenue is borrowed from another fund to meet short-term needs. Generally, inter-fund borrowing is tied to TIFs, impact fees or lot sales.

The City has used inter-fund borrowing to finance the Spring Hill Industrial Park, the Mill Brook Industrial Park, and the Transportation Center. In the case of the Spring Hill Industrial Park, revenue was borrowed from the general fund and moved to the development fund in order to construct the industrial park. The general fund was then paid back using the revenue generated from selling the lots, as well as TIF revenues from taxation of the new buildings. This has been a powerful technique for economic development projects in Saco.

Tourism

The City has been involved in heritage tourism for several years. These efforts revolve around the Saco Museum and the City's National Register historic districts, and were encouraged by former mayor Mark Johnston. Previous projects include: the Main Street Walk, which installed twelve colorful historic panels along Main Street from the Amtrak Station to Saco Museum, accompanied by a tour brochure, and a Historic District Walking Tour. In 2009, the City obtained grant funding of \$37,500 from the Preserve America program and helped to obtain \$10,000 from the Maine Humanities program, in order to support a local history exhibit at the Saco Museum and Amtrak Station. This exhibit has transformed the Museum by providing for the first time a permanent, systematic overview of Saco area history.

An upcoming heritage tourism project, called SACO 3-D, will install three dimensional historic images of Saco at a prominent Main Street location. In other aspects of tourism, the City is active in maintaining several parking areas at the beach, and waterfront facilities such as a pier and boat ramps. The Maine Tourism Office considers nature tourism and heritage tourism as interrelated. Saco Trails maintains a significant trail system in the City. The City's growing trail system, including the much anticipated Eastern Trail, and a forthcoming Saco birding brochure should be considered additional efforts in this regard.

Meetings with state officials have encouraged a regional approach to tourism. The Biddeford Saco Chamber of Commerce and Industry has expressed a renewed interest in this activity and is now participating in the state's tourism regional program, Maine Beaches. The

Chamber's staffing of the Amtrak Station, along with the volunteer program in the evenings, should also be considered a tourism initiative.

Grants

Grants from Federal or State sources can be used to finance economic development projects. Unlike loans or bonds, grants do not need to be paid back and relieve local tax payers. The planning and development department has been very successful in obtaining grants for economic development and downtown improvement projects. Among them:

•	, ,
Mill Brook Park	EDA
Spring Hill Park	EDA
Saunders Electronics	CDBG
Amtrak platform etc.	Fed. Transportation
Main Street rehab	Municipal Investment Trust Fund
Temple, Pleasant	CDBG
Shaker Hill kitchen equipmer	nt CDBG
Riverfront (millyard)	State
Local history exhibition	Preserve America and Maine Humanities
Saco 3-D interpretive signs	State Historic Preservation
	Spring Hill Park Saunders Electronics Amtrak platform etc. Main Street rehab Temple, Pleasant Shaker Hill kitchen equipmer Riverfront (millyard) Local history exhibition

Inter-Municipal Corporation

In addition to working closely with the city of Biddeford on the BSAEDC, Saco has worked with Biddeford on a number of other economic development projects. Officials from both cities have served jointly on a Mill Redevelopment Committee. Both cities supported the National Register nomination for the Mill District, which the mill developers consider advantageous to their projects. The two cities are currently working on the pedestrian bridge to provide a link between the two Mill Districts.

Biddeford Saco Area Economic Development Corporation (BSAEDC)

(prepared by Will Armitage)

Organizational Structure

BSAEDC is a Private Non-Profit 501(c)(3) created in 1992 by the Cities of Biddeford and Saco, and the Biddeford-Saco Chamber of Commerce & Industry. At inception, the



organization had 1 full-time employee and was governed by a 9 member Board of Directors and a 5 member Loan Committee. Originally founded to serve as the One-Stop-Shop for Economic Development activities in both communities, the organization refocused its mission in 1994 on economic development financing. As the organization grew and expanded its program offerings, the board of directors size and composition was modified. In 1999 BSAEDC became the forth organization to be certified in Maine as a Community Development Financial Institution.

Today, BSAEDC is governed by an 11 member Board of Directors:

- 2 City of Biddeford appointees;
- 2 City of Saco appointees;

- 1 Chamber of Commerce appointee;
- 3 Biddeford Elected Directors;
- 3 Saco Elected Directors;

A 7 member Loan Committee and is staffed by a full-time Executive Director, a full-time Loan Officer and a part-time Office Administrator.

Mission Statement:

BSAEDC promotes sustainable, long-term economic prosperity for the Biddeford-Saco area. The Corporation is a catalyst for cooperation, teamwork, and mutual success through the: Creation and retention of quality jobs for the people of Biddeford-Saco targeting the low to moderate income population; and development and promotion of policies, projects and programs that will accommodate and capture new investment in Biddeford-Saco.

This Mission is accomplished chiefly through business financing. In addition, a resource center is maintained, and special projects are undertaken.

The BSAEDC in 2011 was chosen to participate in a U.S. Small Business Administration pilot program to boost loans to small businesses. The Intermediary Lending Pilot Program will boost lending capacity with \$1 million which will be distributed in loans of up to \$200,000.

Financing:

BSAEDC administers 6 Revolving Loan Programs totaling \$4.7M with an additional \$1.5M available through a Bank participation Line of Credit with Biddeford Savings Bank, Kennebunk Savings Bank and Saco & Biddeford Savings Institution. All totaled, BSAEDC has approximately \$6.2M available for lending.

Over the last 18 years, BSAEDC has lent over \$3.7 million to local businesses in Saco, which has leveraged almost \$26 million in private sector investment into the community and created or retain approximately 1,200 jobs. Currently, BSAEDC has 19 active loans totaling over \$1.7 million, which has leveraged over \$9 million in private sector investment and created and retained over 270 jobs in the City of Saco.

	Active Portfolio				
# of Loans	\$ Disbursed	\$ Leveraged	Jobs Created/Retained		
19	\$1,740,000.00	\$9,140,550.00	276		
	Historical Portfolio				
# of Loans	\$ Disbursed	\$ Leveraged	Jobs Created/Retained		
50	\$3,712,628.67	\$25,711,685.00	1,200.5		

Resource Center:

BSAEDC acts as a clearinghouse for local state and federal business assistance programs, job training and capital attraction. Technical assistance is provided through the Maine Small Business Development Center; Maine Procurement Technical Assistance Center; and Maine

Center for Women, Work & Community to businesses seeking counseling and financial assistance for the purpose of starting, locating or expanding.

Special Projects:

BSAEDC works in conjunction with the cities to promote and market the community. This has included the development of printed



materials for mailing and collaborative advertisements in printed media. Additionally, BSAEDC has hosted an Annual Breakfast with speakers of economic interest. BSAEDC also collaborates with the Chamber and both downtown organizations for educational programs and events. Most recently, this has included the creation of the Biddeford-Saco Buy Local program promoting our local businesses and educating our residents on how they can support our local economy.

Saco Spirit and Downtown Development

Saco Spirit is Saco's National Main Street affiliate which follows the national four-part

approach to downtown revitalization. The approach is based on four committees working with a Main Street manager on the following issues: design, organization, promotions, and economic restructuring. The City Council has appropriated \$25,000 each year, in recent years, to support Saco Spirit's downtown efforts. The City works closely with the group.

The City has invested more than \$3 million in Main Street improvements over the last five years, including the reconstruction of sidewalks and streets, the undergrounding of overhead utilities, and other changes in design, infrastructure, and physical



condition. Additional municipal investments in the downtown include the \$2.4 million Saco Transportation Center, the Amtrak station which serves The Downeaster and houses the Biddeford Saco Chamber of Commerce.

The firm Planning Decisions, which is assisting the City with preparation of an updated Comprehensive Plan, writes of downtown Saco: "Living in downtown Saco is now perceived favorably and developers have noticed, not just on Saco Island but also in the approximately 300 condominiums built in a ring around the downtown in the past decade. The positive image for downtown Saco has been noted by Saco Island developers and many others. "Saco" is a better "brand" than a decade ago to those who do not live or work here (and for those who do). Large scale new activity on Saco Island and in the Biddeford mill district will help provide additional local market supports for downtown businesses.

Saco completed a downtown plan in 1998 and updated it in 2007. The major recommendations from 1998 downtown plan:

- Encourage mixed use redevelopment of Saco Island using TIF and other incentives
- Create organization to manage downtown using National Main Street approach (Saco Spirit)

- Connect west side parking
- Add parking near Pepperell Square
- Improve parking, parking signage, parking management
- Build train station
- Rehab Main Street Pepperell Square
- New signage, orientation signage

Many of these recommendations have now been implemented. Saco Island is being redeveloped. Saco Spirit coordinates much of the activity in the downtown. Parking has been added and improved. Main Street and Pepperell Square have been rebuilt beautifully and now the Main Street section from City Hall to Beach Street has also been completed. New signage and orientation signage has been designed and installed. Substantial progress has been made on all but the west side parking.

The 2007 plan emphasizes support of Saco Spirit's efforts for the downtown. It also has long lists of detailed recommendations. Among them:

- Continue to reinvigorate downtown's "streetscape" and parking lots;
- Plan a pedestrian bridge to Biddeford, mill district to district;
- Plan for housing expansion and improvement in the downtown;
- Plan for Saco and Biddeford's role in the Creative Economy, which has led the revitalization of many downtowns. Saco's environmental leadership and heritage tourism may also have a role.

Streetscape work has continued in the City Hall to Beach Street section; a pedestrian bridge with Biddeford is the subject of a current engineering study; housing growth continues downtown; heritage tourism has been addressed with an Amtrak Station, a major permanent makeover of the Saco Museum with a regional history exhibition; a Main Street history trail, a National Register District walking tour, and an upcoming 3-D historic panel program.

The relocation of the Central Fire Station and the Notre Dame church, as well as the mill space on Saco Island, provide significant opportunities for downtown redevelopment.

Biddeford Saco Chamber of Commerce and Industry

The Chamber has occasionally played a key role in a few economic development efforts. It participated in encouraging the sewering of Route 1 in the late 1980s, and is one of the founding partners in the BSAEDC. It has always provided local information



packages to visitors and relocators, and now provides tourism information at the Amtrak Station. Under the new director it has begun to participate in the Maine Beaches program, which is the state's regional tourism effort in southern Maine. It has been a partner with the BSAEDC and the two Main Street organizations in the current Buy Local program.

Southern Maine Regional Planning Commission (SMRPC)

Traditionally a land use planning agency, Southern Maine Regional Planning Commission (SMRPC) has had a growing role in economic development. It provides access to the federal

Brownfields program and it is likely this year to become the EDA designated economic development district for this region. As one of the two agencies involved with Southern Maine Economic Development District (SMEDD), it has already assisted Saco in two successful grant applications to the EDA. It has also provided assistance in preparing CDBG projects, especially the dreaded environmental review. Recently, after state budget cuts force layoffs at the Department of Economic and Community Development, SMRPC was appointed by the DECD to provide outreach services on behalf of the DECD.

4. Current Practices:

Federal and State Economic Development Programs

This section catalogs state and federal programs which have occasionally been helpful or may have the potential to be helpful.

FEDERAL:

Economic Development Administration (EDA)

The Economic Development Administration (EDA) is the Federal Government's main arm for local economic development, chiefly through its grant programs. The EDA provides a small regional planning grant to Southern Maine Regional Planning Commission (SMRPC) each year so it can coordinate economic development activities in the region. EDA also provides grants for infrastructure. Saco has benefited from two EDA grants for construction of business parks \$590,000 for the Spring Hill Park in 1999 and \$800,000 for the Millbrook Park in 2004. The regional economic development district tied to the EDA in this region is the Southern Maine Regional Planning Agency, which includes all of York County. The former Southern Maine

Economic Development District (SMEDD), which also included Cumberland County was dissolved in favor of countywide agency in 2011 after years of effort. In the last two decades, Saco has received two of the three grants for business parks in York-Cumberland region.

Community Development Financial Institutions (CDFI)

The Community Development Financial Institutions fund (CDFI) is a program of the Treasury Department that capitalizes revolving loan funds (RLF) for non-profit/municipal development agencies. The Biddeford Saco Area Economic Development Corporation (BSAEDC) has obtained \$1,000,000 from CDFI in order to provide loans for businesses in the region.

Y E A FUN U.S. Treasury De

Community Development Block Grant (CDBG)

Community Development Block Grant (CDBG) program is a federal program funneled through



the State's CDBG office. The CDBG provides funding for projects that benefit low and moderate income persons. Saco has benefited many times from projects that have helped revitalize downtown neighborhoods, including drainage-sewer/street projects in the Temple, Pleasant, and Green Street area and Gray Street area. Several Saco businesses have benefited from business lending and grant programs in the past, including most recently the bakery on Thornton

Avenue. A CDBG program can also provide grants for equipment acquisition. The city assisted Saunders Electronics in obtaining one in 2006.

Small Business Administration (SBA)

The Small Business Administration (SBA) guarantees business loans made by local banks. Much of the lending done by local banks to businesses would not be done on as favorable terms, without the SBA guarantees. The SBA partners with other agencies to provide a local



Small Business Development Centers, which in this region is housed on Main Street with the Biddeford Saco Economic Development Corporation. In 2011 a U.S. Small Business Administration awarded the BSAEDC \$1 million in a pilot program to boost loans to small businesses. The Intermediary Lending Pilot Program will increase lending capacity with \$1 million which will be distributed in loans of up to \$200,000.

Rural Development Agency

The Rural Development Agency can lend in Saco, including lending for municipal infrastructure projects; however, it does not have any grant programs. The Rural Development Agency's rates traditionally have not been favorable enough to give it a competitive advantage over other programs. This agency has also helped capitalize BSAEDC loan funds.

Historic Rehabilitation Tax Credits (HRTC)

Historic Rehabilitation Tax Credits (HRTC) can help provide equity for economic development projects, which includes the rehabilitation of an historic building. In Saco, they have been employed primarily in the residential sector for housing, including at the Wardwell. Because the state has passed historic rehabilitation tax credit legislation the combination of the federal and state program has made the program more advantageous to developers. The Saco Island developers plan to utilize this program.

Brownfields

The Brownfields program is used for the remediation and redevelopment of sites that contain hazardous substances, pollutants, or contaminants. The Brownfields lending and grant program is administered by the Environmental Protection Agency (EPA). The Maine Department of Environmental Protection (DEP) works closely with the EPA and has additional state funding. SMRPC administers the EPA program in this region. The Saco Island project was approved for the use of Brownfields funding but has not yet gone forward with its project. The City received an assessment grant through SMRPC that permitted a \$200,000 grant application by the City for the remediation of the former Saco Steel site on Lund Road. An application for a \$200,000 grant for brownfields remediation on Market Street was approved on December 20, 2011.

Industrial Revenue Bonds (IRB)

Industrial Revenue Bonds (IRB) are a bond similar to a municipal bond. IRBs are a low-cost finance mechanism available to help encourage the expansion or relocation of large industrial firms in the City. IRBs provide bond financing to private industrial firms at low non-taxable rates, similar to those paid for by municipalities. The application requires City Council approval but does not create any liability for the City. The program is rarely used and is a good fit for few.

STATE:

Department of Economic and Community Development (DECD)

The Maine Department of Economic and Community Development (DECD) is Maine state government's economic development arm; however, due to poor funding and frequent program changes, DECD activities are very limited in scope. The department recently announced that it has appointed "account executives," but the economic development community awaits information about whether the new name is coupled with new programs. The department administers:

Tourism

DECD has a tourism promotion branch that is quite active in organizing and promoting tourism. The Southern Maine version of the state's tourism initiative is called "Maine Beaches Association". Area Chambers of Commerce and hospitality related businesses work together with the State through this initiative.

Pine Tree Zones

Maine's Pine Tree Zones provide tax incentives to businesses expanding their employment by greatly reducing or eliminating state taxes for up to ten years. The program targets particular industries, including: biotechnology,



marine technology, aquaculture, environmental technology, information technology, financial services and manufacturing. The Pine Tree Zone program primarily reduces payroll costs for expanding businesses and provides other incentives for new businesses and businesses that are relocating in Maine, within these sectors.

Regional Representative

Until recently, the DECD provided a regional representative in six areas of Maine. These state agents provided leads for expanding and relocating businesses, provided information about Pine Tree Zone programs to local businesses, and worked closely with city and regional economic development offices. The state abolished the positions in April 2010, and temporarily substituted funding for a similar function at the regional planning agency, SMRPC. In late 2011 tis system was replaced with an understaffed, Augusta-centric system of "account executives."

Community Development Block Grant (CDBG)

While funding for this program is federal, the administration is entirely at the state level. The Community Development Block Grant (CDBG) office is frequently called upon by the state legislature to administer other economic development grant opportunities, such

as the recent River Front Bond, the 1994-1996 jobs bond, and the Municipal Infrastructure Bond 2006, which contributed \$500,000 to rehabilitation of Main Street. The CDBG office has been consistently helpful to Saco's economic development and neighborhood revitalization efforts and has had continuity and resources that other portions of the DECD have lacked.

Maine and Company

Maine and Company is a non-profit that was established by larger Maine corporations and utilities to assist the state in providing business relocation services. It focuses on attracting businesses from elsewhere to Maine. The City occasionally receives leads from the agency, but these are seldom solid prospects.

Finance Authority of Maine (FAME)

The Finance Authority of Maine (FAME) provides loan guarantees for business lending. It has also has had a major role in capitalizing revolving loan funds at the Biddeford Saco Area Economic Development Corporation (BSAEDC). The agency also has a role in industrial revenue and bonds, and theoretically can provide bond financing for local business programs, but presently does not do so.

Main Street Maine / Maine Downtown Center

Saco Spirit is our local effort at downtown revitalization following the National Main Street approach. Maine communities that participate in the National Main Street approach work together through Main Street Maine, which is housed in the Maine Development Foundation, as a statewide non-profit funded by corporate donors and a small of amount of State funding. It provides training for the local Main Street programs. (See also Saco Spirit in 'Practices' section.)



Historic Rehabilitation Tax Credits (HRTC)

The Maine Historic Rehabilitation Tax Credits are available for properties that are "certified historic structures" through the National Register of Historic Places. After the State HRTC combination of the federal and state legislation has made the HRTC program more advantageous to developers. With the City's assistance, the Mill District was added to the National Register of Historic Places two years ago. The Saco Island Rehabilitation project is likely to utilize HRTCs.

Tax Increment Financing: See local and regional programs.

5. Strengths Weaknesses Opportunities Threats SWOT Analysis

As part of the planning process the committee undertook a SWOT analysis, that is, an analysis of the city's strengths, weaknesses, opportunities and threats in the area of economic development. Using the results from the SWOT analysis, the committee members were then asked to each select three items which they felt that the City should be should be taking action on. This refined the items mentioned in the SWOT brainstorm into items which might become action items in the final report. (This section is unchanged from the previous report.)

Of the 21 items, only five were selected by more than one person. Four persons selected "Not enough money to market the City." Three chose "Business visitation program." These might be considered strongly related as parts of a marketing program.

Two persons selected each of the following:

- -Growth in healthcare employment
- -Metro coalition with Portland (to enhance links, cultivate ties)
- -Lack of clear vision for future business park development

All of these five aforementioned items can and should be addressed by recommendations presented in a final report, as follows:

Marketing budget:

-A marketing program with sufficient frequency could help the City create a positive image as a business location. The marketing program could be extended with an advertising budget large enough to allow a frequent, continuous presence in selected publications read by business leaders.

Business Visitation:

-The business visitation program is an effective way to learn about the needs of current businesses in Saco and occasionally to hear about expansion and relocation, and to develop leads. This program has focused on businesses in the industrial parks in the past. It should also include small one and two person businesses with growth potential.

Health Care:

-UNE's strength in various medical disciplines, along with the growing presence of Southern Maine Medical Center, Maine Medical Center, VNS, and several orthopedic and physical



therapy groups is evident in Saco. Medical uses have been growing generally in the region. The city should include in its efforts a focus on growth in medical and allied fields.

Metro Coalition:

-The health of the Saco economy is closely tied to the economic health of the entire region. Therefore, the City should continue to work cooperatively with the cities of



Biddeford, Scarborough and Old Orchard Beach, with Greater Portland, and with regional economic development organizations such as the BSAEDC and SMRPC and the Chamber of Commerce to foster the economic prosperity of the region.

Business Park Development:

-Since there is a limited supply of prepared sites in Southern Maine for economic development, the City of Saco should continue its business park program to provide a continuous supply of

suitable development sites that are serviced by public water and sewerage. As part of this effort, the City should consider acquiring and land banking suitable parcels for future development sites for manufacturing, distribution, research, large scale office and similar high quality economic activities, as these sites become available on the market.

Another group of six items were selected by just one person. However, some of these were discussed in several meetings, complementary with other discussions and efforts, or are consistent with goals of the comprehensive plan and other city planning documents. Therefore they can also be turned into report recommendations. They are:

- -Well defined permitting and zoning process perceived by developers, realtors,
- -Revise City website
- -River (charters, fishing, tourism, recreation)
- -Regional marketing (tourism)
- -Too few seasonal employees for hospitality businesses
- -Help make micro businesses into mini businesses

Permitting and Zoning:

-The City is already recognized in the real estate community for its generally efficient permitting and for the delegation of state site law permitting. The permitting process could be enhanced by the publication of a guide to the planning and permitting process.

Web Site:

-Update marketing efforts with an improved web presence incorporating materials developed for the print effort and with other new materials.

River etc.:

-There are additional tourism opportunities at Camp Ellis and the beach. Fishing excursions has been identified as one area to be encouraged. Beach use is another.

Regional tourism marketing:

-The Biddeford Saco Chamber of Commerce and Industry has many roles in the community, including an important role in tourism. The Chamber is now working with the state's regional tourism program and local tourism-related businesses, including hotels and theme parks, to promote tourism in the region. Collaboration and weekend packages are among the possible areas for improvement. The City should support these Chamber-led efforts.

Seasonal Employment:

-A lack of summer workers for tourism oriented businesses has been identified. Funtown Splashtown USA, others who employ summer workers, the Maine Department of Labor, and the Chamber should organize a summer work fair each spring to help identify people in the community for summer work.

The "micro to mini" item is addressed in the last sentence of the business visitation program, which suggests that small businesses also be included in that program.

Just to be complete:

Selected by one person. Not addressed in recommendations.

- -Opportunity to participate in local government and committees
- -Energy quality and electricity volume
- -Energy costs & limited natural gas access
- -Resource poverty of small business community

Not selected by anyone. Not addressed in recommendations.

- -Aging population
- -Proximity to large cities and populations
- -Downeaster to Freeport/Brunswick
- -Improve fiber access
- -Consolidate state permitting process
- -Limited lodging during summer
- -Lack of networking with business groups

In another exercise adapted from an ICMA manual designed to assess community readiness as well as strengths and assets for economic development, the committee rated the community highly in the following areas:

- -Lack of dependency on a single firm or industry
- -Capacity to diversify
- -Availability of vacant land
- -Availability of underused land
- -Access to transportation (highways, airports, etc.)
- -Access to internet

Access to venture capital was not rated high for the community, nor was the presence of private laboratories.

SWOT Analysis Results

Results organized by topic

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
EDUCATION			
Educational opportunities (higher)	College grad rate lower than nation and region		
	Poor opportunities for high school trade school		
	Matching education and skills with actual jobs		
	Lack of connection to UNE		
POPULATION			
	Slow population growth	Aging population	Aging population (impact on health care)
		Proximity to large cities and populations	Youth leaving State
TRANSPORTATION/UTILITIES			
Transportation network	Turnpike interchange needed	Downeaster to Freeport/Brunswick	Transportation needs and costs
Downeaster	Broadband nodes and fiber	Improve fiber access	
Less traffic congestion			
	Energy costs & limited natural gas access		
PERCEPTIONS			
Great public safety	Conflicting view of Saco's connection with Portland		
Positive perceptions of Saco and Biddeford	Perception of high business costs isn't the reality		
Quality of life	Poor productivity, 45 th State		
GOVERNMENT			
Stable city government	Tax structure (relies on property tax too much)	Opportunity to participate in local gov and committees	Potential lack of continuity in State government
Low tax rate	,	Well defined permitting and zoning process perceived by developers, etc	Disconnect between public policy and what people actually want
Innovative and flexible city government		Consolidate state permitting process	Sprawl/low quality development
Use of contract zoning to			development
accommodate businesses			
Diverse real estate tax base			
Financial stability Bond Rating AA			
ECONOMIC DEV PROMOTION			
Established business parks and room for growth	Lack of clear vision for future business park development	Business visitation program	Other towns have organized economic dev. agencies
Organized economic development department	Regional marketing (tourism)	Revise City website	economic dev. agencies
черанитен	Not enough money to market the City	Help make micro businesses into mini businesses	
TOURISM			
Camping facilities and lodging	Limited lodging during summer	River (charters, fishing, tourism, recreation)	
Saco River	Too few seasonal employees for hospitality businesses		
VARIOUS			
Cost of doing business is lower than Portland	Resource poverty of small business community	Growth in healthcare employment	Distance/cost for medical procedures
Proximity and Connection to Greater Portland area	Lack of networking with business groups	Metro coalition with Portland (enhance links, cultivate ties)	Rising sea level
Loyal and hardworking labor force		(= zz, zz	
Good downtown living opportunity			
Safe and sound financial institutions			
Establish brand awareness			
	I	l .	1

6. Updating Marketing Materials and

Some Digital Strategies

In its initial discussions, the earlier committee quickly determined that Saco's marketing materials were not current and needed updating. In order to begin the process of improving them the committee developed a list of Saco's benefits, which is reproduced in Section B of this chapter.

The Economic Development Commission, in preparing this update to the economic development, explored strategies for using digital social media in the city's marketing and outreach efforts. This effort was led by member Tiffany Hampton, who uses social marketing in her own sales practice. Section A includes some first notes toward a digital marketing strategy.

SECTION A

Digital social media take many forms, but essentially all are user generated content on the web. While much of it takes the form of words on Facebook or a blog, photos and videos are either a part of other social media or stand on their own at sites like YouTube. While much of the user generated content was at first of a social nature, commercial and institutional uses have grown rapidly. Corporate



advertising now often includes digital social media strategies, especially video.

Social media is characterized by very low cost. The low cost and networking aspect of many digital methods make them well suited for both local and long distance outreach - outreach in the sense of encouraging two way communication. While this report is focused on economic development, the social media outlets can be used as part of a general communications strategy for the city ... a strategy which not only allows the city to get out information that it wants to get out, but allows it to take in information and opinion from thousands of residents and other stakeholders.

The digital media also allow the city government to address an issue identified by Mayor Mark Johnston is his inaugural address, the lack of participation in municipal affairs by young persons. The social networking sites are a preferred means of communication for that target group, and it may be impossible to communicate with many without social media.

The integration of a city communications strategy with social media use for marketing makes sense in the context of the softer kind of marketing that is a good fit with social marketing. The City should not expect that these digital media are where it will make a quick

sale. More appropriately the digital media should be viewed as a means to generate interest and provide information to those who might be interested.

Social media are not limited to the general network of good will they can generate, which might be considered parallel to image advertising and public outreach or public relations. In a traditional sales vocabulary, it's a place to locate prospects, or for prospects to find us, so that they might be turned into leads and sales. Not only, not every day, but occasionally, as part of a broader effort.

This gentle approach has been initiated at the Saco Maine Facebook page, which has grown rapidly in the last year since it began to be managed by Tiffany Hampton. The page has 4000 "likes" and is clearly one of the best places to get word out about community events. Local businesses have used the page to tell about special promotions, but the page seems more like a community meeting place than a sales piece.

Recommendations:

-Build a community based website that is visually and vocally appealing to the online community including baby boomers, gen X and gen Y residents. Something similar to *sacomainefeatures.com* but more focused on goals described in this economic development plan. It could feature:

- Job/Employment Opportunities Year round and seasonal
- Commercial, office, storefront space available within the city
- Downtown Saco businesses and events in connection with the Chamber of Commerce, Saco Spirit and any other community based groups
- Tourist recommendations, suggestions and ideas to share with visitors
- Feature businesses, people, students, city officials etc.
- Highlight all the positives that Saco is doing i.e -- the light bulb program, 2011
 Playful City USA, National Tree City Etc.

-Utilize Search Engine Optimization - (SEO) to get the word out in as many places as possible.

-To get the word out about the community web page, utilize the social media platforms to post your links, stories and messages

- Facebook Have a Saco Economic Development Page
- Utilize already successful pages such as the Saco Maine Page, Saco Spirit, Biddeford Saco Buy Local and the Chamber pages to get the word out and increase visibility
- Set up a twitter account Utilize Hashtags such as #Maine, #Saco, #Business, #Jobs #small #Business etc
- Linkedin Setup an account, group and connect with both employees, business owners and corporations Online Networking
- Photo and Video blogging You tube Flickr etc.
- -Update the city's Electronic Media Policy to endorse this activist approach to digital media.

SECTION B

The purpose of the list was to develop some selling points to promote in the marketing materials.

The materials is being used in the business visitation program, for sales calls, and for any mailings related to economic development promotion.

The committee determined that local advertising man Fred O'Neil would be economical and efficient for the work and the city contracted with O'Neil Associates to produce a new eight page full color marketing booklet, a marketing folder, and revised promotional page on the Mill Brook Business Park. The committee reviewed drafts of the materials, which were finalized quickly and arrived before the completion of the earlier study.

Overall:

- Quality school system
- Supportive local government
- Quality labor force
- Quality medical services
- Quality, affordable sites

Saco Business and Industrial Parks:

- Lots ranging from 2 to 10 acres (wooded or open sites)
- Protective covenants assure quality
- Just off Maine Turnpike Exit 36, easy access to markets
- Fully serviced
- Some sites can be served by rail
- Great access to Interstate and Route 1
- Water, Sewers, Treatment, Utilities
 - Biddeford Saco Water Company
 - Sewer complies with State and Fed regulations
 - o All sites adjacent to electrical and telephone lines
- Progressive business environment/community

Communications Infrastructure: Advanced communication infrastructure enables maintaining international and national relationships seamlessly

- Enhanced fiber to the node
- Digital subscriber lines (DSL)
- Digital phone
- 3-G mobile data and phone

Transportation:

- Interstate 95 (Exit 36)
- Access to US Route 1 and Maine Routes 5, 9, 111, and 112.
- Amtrak Downeaster to Boston and Portland
- Airports: Portland International Jetport (15 miles), Boston Logan International Airport (85 miles)
- Shuttlebus: Tri-town service (Biddeford, Saco, Old Orchard)
- ZOOM Turnpike Express is a commuter service that links Biddeford and Saco with downtown Portland

Education:

- Thornton Academy, private high school with international program
- UMaine University College programs on Saco Island
- UNE 4 miles (Biddeford)
- University of Southern Maine- 17 miles (Portland and Gorham Campuses)
- University of Maine School of Law 17 miles (Portland)
- Maine College of Art- 17 miles (Portland)
- York County Community College 17 miles (Wells)
- Higher education within 50 miles
 - Bates College (Lewiston)
 - Bowdoin College (Brunswick)
 - University of Southern Maine (Lewiston-Auburn Campus)
 - Saint Josephs College of Maine (Standish)
- Boston universities and grad schools- a reasonable commute

Financial Incentives:

- Biddeford Saco Economic Development Corporation (BSAEDC) loan fund programs
- Pine Tree Zones
- Tax Increment Financing (TIF)

Community Character and Heritage Tourism:

- Main Street Walking Tours (City and Museum)
- Downtown Historical District, two National Register Districts
- Saco Museum
 - o Permanent Regional History Exhibit
 - Changing art and history exhibits

- Main Street Maine Community Saco Spirit
- Saco Spirit Festivals and Activities
 - o Pumpkin fest
 - o Sidewalk Art Walk
 - Holiday fest
 - o Preserve America Community
- Thornton Academy
- Beautiful Main Street
- Saco Island Massive Mill Rehabilitation and Renovation Underway
- Retail Businesses, Restaurants and Food Service, Financial Insurance and Real Estate, Other Services

Attractions-Tourism:

- Funtown Splashtown
- Aquaboggan
- Cinemagic IMAX Movie Theater (only one in Maine)
- Vacationland Bowling
- Ferry Beach State Park
- Three active marinas and waterfront boating facilities
- Ice arena and athletic complex
- Hotels, motels, campgrounds, bed and breakfasts

Natural Areas and Beaches:

- Saco River
- Camp Ellis
- Saco Heath
- Saco Bay Trails and Riverwalk Trail
- Eastern Trail
- Parks (200 acres of city parks)
- Beaches
- Cascade Falls

7. Committee Focus: Tourism and Universities

Tourism and the presence of universities in the community were special focuses of the Economic Development Plan Committee's attention. The interest in tourism was supported by presentations by members Ed Hodgdon and Craig Pendleton. The focus on universities in the community was supported by visits with the president of University of New England and representatives of the University of Maine at Augusta, which operates a center in Saco. The findings follow.

TOURISM

The state encourages a regional approach to tourism through the Maine Office of Tourism and breaks the state into 8 regions; Saco is included in the southern Maine region called "Maine Beaches." Some tourism information identified in this study includes:

- Funding comes from the meals and lodging tax and each region gets the same amount of funding.
- For some areas, including Canada, Maine's beaches are the closest ocean beaches, making Old Orchard Beach, Wells, Ogunquit, and York drive to beach destinations.



- 3. Saco is the only beach destination with a year round downtown. This may be a marketable niche.
- 4. The Maine Tourism Office considers nature tourism and heritage tourism as interrelated. Saco has been developing assets in both areas.
- 5. Maine as a food destination. The restaurant scene in Saco and Biddeford has really come alive, with many international cuisines now available, and our first brewery at the Run of the Mill.
- 6. Lower cost destinations have continued to do well despite recession. Saco is considered lower cost.

Meetings with state officials have encouraged a regional approach to tourism. The Biddeford Saco Chamber of Commerce and Industry has expressed a renewed interest in this activity and is now participating in the state's tourism regional program, Maine Beaches. The Chamber's staffing of the Amtrak Station, along with the volunteer program in the evenings, should also be considered a tourism initiative. The Chamber has occasionally played a key role in economic development efforts. It has been a lead partner with the BSAEDC and the two Main Street organizations in the current Buy Local program.

Due to its location on the Southern Maine coast, tourism is an important component of Saco's economy. Saco's beautiful beaches, the Saco River, historic downtown, and the shopping district provide visitors with many recreational and cultural opportunities. Several Saco businesses supply goods and services to tourists. Visitor services include motels, campgrounds, water parks, a theme park, the trail system, and other outdoor activities.

The City has been involved in heritage tourism for several years. These efforts revolve around the Saco Museum and the City's National Register historic districts, and were encouraged by former mayor Mark Johnston. The City was able to obtain a \$37,500 from the Preserve America Program and other sources to support a major permanent regional history exhibition at the Saco Museum, with a small overview of the exhibit at the Saco Transportation Center. A colorful set of historic panels along Main Street was another joint City and Saco Museum program.

An upcoming heritage tourism project, called SACO 3-D, will install three dimensional historic images of Saco at the post office. Another nature tourism project will present a birding guide to the city, in cooperation with the York County chapter of Maine Audubon Society.

In other aspects of tourism, the City is active in maintaining several parking areas at the beach, and waterfront facilities such as a pier and boat ramps. Saco Trails maintains a significant trail system in the City. The City's growing trail system, including the much anticipated Eastern Trail, and a forthcoming Saco birding brochure should be considered additional efforts in this regard.

TOURISM ASSETS

Ferry Beach State Park

The 117 acre Ferry Beach State Park is located on both sides of Seaside Avenue. On the ocean side, there is a swimming beach. On the western side is the parking lot as well as woods with 1.4 miles of self-guided nature trails. The trails are wide, level, and provide boardwalks to cross wetlands. A detailed trail map is available from the parking lot attendant during the summer. The park also has a playground. Long Pond, located within the park boundaries, is utilized by during the winter for ice skating. The park is currently developing a plan for a nature center building.



Saco Museum

Founded in 1866, and formerly known as the York Institute, the Saco Museum is one of the oldest museums in Maine. Its collection of fine art, natural history, and historic artifacts contains more than 10,000 items and includes folk art, household items, historic memorabilia,

papers, and personal items made or owned by people living in northern York County. Several items are of national significance. The museum continues to acquire present day artifacts for its collections.



The Saco Museum is open to the public and offers on-going programs for students, adults, and families. Its public outreach includes walking tours, art classes and workshops, visiting lecture series, musical events, and a biennial historic house tour emphasizing art, history, and culture. The museum's historic Main Street Walk begins at the museum and extends down Main Street to the Mill District. Brochures are available to guide the tour.

PRIVATE ATTRACTIONS

There are several attractions for visitors in the Route 1 - Ocean Park Road Corridor, including:

I-Max – This 3-D digital theater at Cinemagic, the only one in Maine, is a now a huge attraction right across the street from Funtown Splashtown USA.

Funtown Splashtown USA – Family Amusement Park and Water Park. Funtown Splashtown USA is involved in Maine Beaches and other tourism efforts.

Riverwalk

The Riverwalk is a 3,500 foot trail along the banks of the Saco River that is intended for use by pedestrians and bicyclists. Access can be gained either at the top of Front Street, just off Pepperell Square, or at the end of Hall Avenue. The trail provides gorgeous views and ample wildlife, including a resident eagle, as it winds along the riverbank.

Historic Main Street Walking Tour

The Main Street Walking Tour features several historic buildings and sites along a 1/2 mile section of Main Street, Saco. The tour spans the area from the Dyer Library to Saco Island with a total of 27 stops. The tour was prepared for the City of Saco by Thomas Hardiman, former curator of the Saco Museum, and includes markers at specific locations that inform walking of specific historic events.

Saco Museum Walk

Another public history project, the Saco Museum Main Street Walk, presents colorful historic interpretive panels along Main Street from the Amtrak Station to the Museum. The museum and the city are now working on a third heritage tourism/public history project, which will present 3-d photos of Saco near the post office.

The Eastern Trail in Southern Maine provides a four-season, non-motorized, multi-purpose, recreational trail between Kittery and South Portland, and will require the cooperation of a number of groups and communities and the commitment of resources to its development. 6.2 miles of trail will be completed in early summer 2011 from Biddeford to Kennebunk, and design work will be completed and construction bids sought in fall 2010 for a 4.3 mile section from Old Orchard Beach to Saco.

Eastern Trail

The purpose of the Eastern Trail Alliance is to establish a four-season, non-motorized, multipurpose, transportation and recreation trail between Portsmouth, New Hampshire and South Portland, Maine. The trail will serve as the southern Maine portion of the East Coast Greenway. It will promote trail-associated economic development in York and Cumberland Counties by directly serving the recreational, commercial,



and social activities of residents and visitors to the southern Maine region. A section of this trail runs through Saco and was constructed this year, including a bridge across Route 1.

Saco Historic District and National Register

The City of Saco has eight sites and two districts included on the National Register of Historic Places. Saco Zoning Ordinance includes a Historic Preservation section that addresses the need to preserve areas, sites or landmarks in the City which are historically, architecturally, or culturally significant. In 1991, the City designated much of downtown as a Historic Preservation District. The Saco Downtown Historic District occupies approximately 103 acres of land and it includes 225 properties. Of these, 186 are considered to contribute to the historical significance of the district.

Dyer Library

The Dyer Library has 55,000 to 60,000 volumes, including two special collections. The Maine History Room is devoted to history on a statewide basis but with a special emphasis on southern Maine. The library is considered an excellent resource about York County genealogy.

Saco Spirit

Saco Spirit is Saco's National Main Street affiliate which follows the national four-part approach to downtown revitalization. The approach is based on four committees working with a Main Street manager on the following issues: design, organization, promotions, and economic restructuring. The City Council has appropriated \$25,000 each year, in recent years, to support Saco Spirit's downtown efforts. The Saco Art Show, the Pumpkin Fest, and other events attract visitors.

University Focus



UNE's growing presence in the region,
particularly in the growth area of medicine and allied health, has the potential to be a catalyst
in the city and region. Based on a recent visit with UNE's president, the committee identified
several ways to work with UNE.

Registration and Orientation

The city will ask Saco Spirit to organize local businesses in welcoming new and returning students in the fall at orientation and registration. The City will distribute information to students face to face. Saco also offers accommodations for visiting parents and families.

SACO SPIRIT

Saco Spirit already collaborates with UNE students for the different programs and events that they host. UNE students have to fulfill a civic service requirement to get their degree so many students have helped with Saco Spirit events. They will continue to do this.

Other possible programs to get students involved in include:

- Is there a way to get UNE to offer work-study for some of these community-based positions?
- Home Weatherization volunteers
- Community gardener program
- Advertise Parks and Recreation volunteer positions

Businesses

More Saco businesses will accept UNE's Nor'easter dollars. Saco Spirit will lead the efforts to increase access. The Buy Local campaign has also been very successful with college students. If a business participates in the Buy Local Campaign or accepts Nor'easter dollars, this will be recognized in the Chamber of Commerce directory. The businesses that participate in these programs should also have decals showing this.

It has been found that restaurants, bars, and grocery stores are the largest beneficiaries of college student spending. The types of businesses might consider promotions, like college nights, offering discounts and coupons for students. Another way to attract more students to downtown businesses would be by extending store hours to be open after 5pm.

- Other activities for students
 - o Open Mic Nights, or other student oriented events
 - o Offer student discounts for tourism activities i.e. IMAX, bowling, etc.
 - Sports Arenas or Concert Halls attract students and adults 20-30

Research and Internship Opportunities

Research is an important part of the UNE experience

Can Saco companies offer some clinical and internship opportunities?

- Get Saco businesses connect to the internship posting sites, relevant departments, or news letter to advertise internships/jobs
- Student testimonials about internship experiences and job placement with Saco businesses.

Housing

A lot of UNE graduate students are living in the rehabilitated mills located in both Saco and Biddeford. Does UNE have any future housing needs that Saco may be able to fulfill?

Transportation

The UNE Shuttlebus, the Nor'easter stops at the Saco Transportation Center. Student rates are offered at Amtrak. The Nor'easter has been successful, maybe the route can be extended all the way to Cinemagic. Could a Camp Ellis Ferry be utilized for students to commute?

UNIVERSITY COLLEGE AT SACO ISLAND

The University College at Saco Island is one of nine University of Maine System (UMS) centers in Maine. Currently, courses are taught onsite and



remotely by faculty from both University of Maine at Augusta and University of Southern Maine. The future of this satellite campus is now assured as trustees have authorized a lease for new space on Saco Island.

SEVEN FOCUS AREAS FOR YOUNG PROFESSIONALS

- Employment and Earning Opportunities
 - o Internships
 - o Jobs
- Social capital: diversity & tolerance
 - Cultural events
 - Encourage more young professional and student involvement in community
- Ease of getting around town
- Affordability and cost of living
 - Downtown housing
- Vitality: healthy community where people are active, including recreational activities
 - o Fitness Center in downtown
- Things to do after 5pm
 - Sports Bars
 - o 18+ and 21+ dance clubs and other late night entertainment

An online survey of UNE students and high school graduates should be used to help determine what would, improve their chances of staying in the area.

8. Saco's Economic Development History

Saco's early wealth, at the very beginning of the 19th century, was based on logging, sawmills, ocean going trade, and agriculture. Soon the capital from the trade allowed Col. Thomas Cutts to amass real estate and, along with Josiah Calef, to start a factory on what was then Cutts Island, later Factory Island, and is now Saco Island. This first major iron works was established in 1811 and made hoops, nails, and other iron products. The project thrived and the

island became a center of commerce for nearly two centuries thereafter. Thus began the transformation of rural Saco and Biddeford to the large manufacturing centers they would become.

When Cutts died, his 30 acres of land on Saco Island was auctioned. By 1829 a seven story cotton mill, 210 feet long by 47 feet wide was constructed by the Massachusetts interests later called the York Manufacturing Company, which had purchased the island at auction. The auction brochure proclaimed all of the advantages of the site, including water power, ocean access, lumber and clay for bricks. The giant mill burned a year later, but was quickly replaced by a large brick mill. The York erected eight more mills, and many others were erected by Laconia and Pepperell. Such brick mills would continue to be built for the next century on both banks of the river until the cities were a worldwide force in textiles and textile machinery. As many as 9000 were employed. But a major decline

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came in the decades after World War II, as the textile industry moved at first to the south and then abroad.

The manufacturing of spinning and weaving machinery at the Saco Lowell led naturally into the production of arms during the war. That legacy continues at General Dynamics on North Street, where employment has rebounded to 400, at what is now Saco's largest employer.

Civic Role

In this early period there was little direct town involvement in economic development, but the town began constructing streets, drains, and organizing fire departments to accommodate the growth.

Civic interest in promoting economic development in the 1890s manifested itself in a Saco Board of Trade, which historian Roy Fairfield says pursued "many ill-fated schemes." It was a favorite target of newspaper editors, and "Only a few were fair enough to recognize the stubborn opposition which the group had to overcome," according to Fairfield. It was 1915 before the Saco board of Trades' first success. Decades later it attracted Sears Roebuck by assisting it in building a five-story factory along the rail line at Park Street. That firm soon

employed 400, but departed quickly. However, the building was occupied by shoe related industries through the 1990s. It has now found reuse as the Park Street Loft condominiums.

Some 19th Century Milestones		
1842	Portland, Saco and Portsmouth Railroad	
1827	Saco Biddeford Savings Institution	
1867	Boston and Maine Railroad	
1860	census, Biddeford population exceeds Saco's	

Later there are references to city

actions to help retain existing employment. Fairfield reports that in 1922 the city helped keep the York Mill intact by rebating a large amount of taxes. A 1941 letter shows a "gentlemen's agreement" not to increase taxes on another of the mills.

Fairfield identifies the changing school curriculum as city assistance to economic development. Vocational training became the norm in the first third of the 20th century.

Post WWII Years

The mill businesses that rose so rapidly in the 19th century fell nearly as fast in the mid 20th century. Biddeford – Saco Mill employment fell from 10,027 in 1948 to 3,230 in 1959, a

loss of 6797 jobs. The mills' payroll dropped from \$581,893. annually to \$211,660. for the same period. (Employment in the downtown mills hung on in Saco until 1986 when Blue Ribbon Shoe, a division of Nike, closed for the last time. At one point in the 1970s Nike employed 1000. The mill employment in Biddeford dwindled until the final textile shop in the downtowns, the West Point Stevens mill, closed in 2009.)

The twin cities were devastated. Statewide relief efforts were organized by Gov. Payne in the early 1950s. The Red Cross pitched in. The impact was immense. The thousands of mill workers who were daily customers no longer walked by the shops on their way to and from their work at the mills. By the 1960s,

RIGHT MAJOR INDUSTRIAL CONCERNS Biddeford and Saco, Maine

February 15, 1960

No. of Employees		Payrolls	
July 1, 1948	10,027	\$581,892.73	
July 1, 1949	7.165	370,317.52	
June 30, 1950	7.297	397,865.77	
June 29, 1951	7,889	495,708.46	
June 27, 1952	6,949	474,821.97	
June 26, 1953	8,010	498,824.32	
June 25, 1954	6,192	395.952.33	
June 24, 1955	4,731(Peppere	ll strike321,720.28	
June 29, 1956	6,633	436,364.49	
June 28, 1957	5,271	369,482,47	
June 28, 1958	3,538	228,048.85	
June 26, 1959	2,901	220,483.59	
Dec. 25, 1959	3,230	211,659.98	

storefront after storefront was empty in Biddeford's once bustling downtown. Saco's smaller downtown fared a bit better, but was also hard hit.

Civic leaders in the private sector organized for action, stepping up promotion of the twin cities and creating a new model for redevelopment – the industrial park. Perhaps they had noticed that the new sites in the south where the mills had fled were no longer multi-story downtown mazes, but rather efficient, suburban, single-story boxes designed for production. Banks, insurance people, and some of the remaining manufacturing executives organized to revitalize the employment base of the two cities.

The techniques were well-known, and employed elsewhere to good effect. The Greater Portland Building Fund, a private civic organization, with city and town cooperation, built five industrial parks in four towns and cities, ringing the city. Lewiston and Auburn also began building industrial parks which eventually revitalized employment in those cities.

In Saco this more suburban pattern of development had already begun with the establishment of the Saco Lowell

Biddeford-Saco Food Stocks Running Low; Over 3,000 Get Aid

Bates To Shut Down York Division In Saco

Move Follows Rejection Of Pay Cut Bid; 1,200 Due To Lose Jobs Within 8 Weeks

SACO, March 31—The Bates Manufacturing Co. announced tonight it will close its 1200-employe York Division mill here in about two months. The announcement came after Bates workers, here and at Augusta followe those in Lewiston in voting down a wage cut. Payne Asks For Crash Program

and the relief load in the Biddeford Saco area increased today as of ficials continued their attempts to ease the burden on families hit by

Armaments Division in 1949 on North Street, the present site of General Dynamics. The site had the advantage of being on the railroad, as well as just down the street from the emerging transportation mode of choice, the Maine Turnpike, which reached Saco in 1947. It was also the former site of the City's poor farm.

The same advantages were noted by civic leaders, and land was assembled and building

began on Industrial Park Road and Lund Road, where the first buildings were established by New England Oxygen (now PM Construction) and Lynflex (now Der-Tex) in 1960 and 1968 respectively. In 1980, Arthur "Skip" Huot wrote, "The improvements on the property (road, sewer, water, rail, and electric service) were obtained by influencing the city and the utilities into servicing the Park."

The civic leaders at first made a civic project of the recovery. "Shares" in the Saco Industrial Corporation, which promoted the new park were sold for \$5 each as a fundraiser to pay for acquisition and construction. Occasionally when a very long-time Saco resident dies, a hopeful son or daughter stops by City Hall to redeem the Saco Valley Industrial Corporation and the Saco Industrial Corporation "stock" only to find that 50 years later it is worth nothing (one type) or still worth just five dollars



(another type). These earliest efforts were initiated by private civic groups which later turned over their assets to the city. A program of industrial and business park construction was born, but its birth was not easy according to Huot.

The City was turned down for state and federal grants several times in the 1960s and 1970s, according to Huot. He points to several factors in the various half-starts, including grant denials based on Portland's better employment statistics, which included Saco at that time,

refused appropriations by the city, and inertia because Saco leaders did not want to do anything until Interstate 195 (the Spur) was complete. Nevertheless, a \$16,000 grant from the Farmers Home Administration was obtained and a master plan for an industrial park was completed.

Huot's 1980 piece appears to have been written to answer criticism of economic development efforts. He writes about why the plan includes private land as well as public land, the suitability of the land for development, the economical approach taken rather than the "5 Star" approach to business parks that some communities took. The work led to the completion of a phase of the park to Garland Manufacturing in 1984 and to the end of Industrial Park Road, adjacent to the pond, in 1987. Inflation was high when the project began, and the City bonded it at a rate of 13% interest.

But the die was set in the early 1980s for a pattern of development which began then and continues now in Saco. Likewise, Biddeford has utilized the same formula and has built extensive industrial parks

	Appendix A, Implementation Table	
	New Recommendations	Update
1	Update marketing efforts with an improved web presence incorporating materials developed previously for the print effort and with other new materials.	
2	Build a community based website that is visually and vocally appealing to the online community including baby boomers, gen X and gen Y residents. Something similar to sacomainefeatures.com but more focused on goals described in this economic development plan. It could feature: Job/Employment Opportunities – Year round and seasonal Commercial, office, storefront space available within the city Downtown Saco businesses and events in connection with the Chamber of Commerce, Saco Spirit and any other community based groups Tourist recommendations, suggestions and ideas to share with visitors Feature businesses, people, students, city officials etc. Highlight all the positives that Saco is doing – i.e. — the light bulb program, 2011 Playful City USA, National Tree City Etc.	
3	A print marketing program of sufficient frequency could help the City create a positive image as a business location. The marketing program could be extended with an advertising budget large enough to allow a frequent continuous presence in selected publications read by business leaders. The present focus will be on less expensive digital media until funding for print can be developed. Print efforts should be designed to complement digital efforts and targeted at an older audience. Future TIF revenues and proceeds from lot sales should allow such efforts in the future.	
4	To get the word out about the community web page, utilize the social media platforms to post city-related links, stories and messages Facebook – Have a Saco Economic Development Page Utilize already successful pages such as the Saco Maine Page, Saco Spirit, Biddeford Saco Buy Local and the Chamber pages to get the word out and increase visibility Set up a twitter account – Utilize Hashtags such as #Maine, #Saco, #Business, #Jobs #small #Business etc Linkedin – Setup an account, group and connect with both employees, business owners and corporations – Online Networking Photo and Video blogging – You tube – Flickr etc.	
5	The health of the Saco economy is closely tied to the economic health of the entire region. Therefore, the City should continue to work cooperatively with the cities of Biddeford, Scarborough and Old Orchard Beach, with Greater Portland, and with regional economic development organizations such as the BSAEDC and SMRPC and the Chamber of Commerce to foster the economic prosperity of the region.	
6	Update the city's Electronic Media Policy to endorse this activist approach to digital media.	

7	Utilize Search Engine Optimization - (SEO) to get the word out in as many places as possible.	
8	UNE has a major and growing presence in the community and is strategically involved with the growing health and medical sectors in the region. In addition, its students are residents of the community and customers for our businesses. The City should cultivate its relationship with UNE continuously. An online survey of UNE students and high school graduates should be used to help determine what would, improve their chances of staying in the area.	
9	UNE's strength in various medical disciplines, along with the growing presence of Southern Maine Medical Center, Maine Medical Center, VNS, and several orthopedic and physical therapy groups is evident in Saco. Medical uses have been growing generally in the region. The city should include in its efforts a focus on growth in medical and allied fields	
10	Saco's core is attractive for downtown living. Additional housing in the downtown might assist the city in attracting young residents and would help provide additional customers for downtown businesses. Residential development in the downtown and Saco Island should be encouraged.	
11	A new pedestrian bridge over the Saco River, from mill district to mill district, should be considered by the two cities and the mills district stakeholders and constructed if warranted.	
12	The Biddeford Saco Chamber of Commerce and Industry has many roles in the community, including an important role in tourism. The Chamber is now working with the state's tourism region program and local tourism-related businesses, including hotels and theme parks, to promote tourism in the region. Collaboration and weekend packages are among the possible areas for improvement. The City should support these Chamber-led efforts.	
13	There are additional tourism opportunities at Camp Ellis and the beach. Fishing excursions have been identified as an area to be encouraged. Beach use is another. Kayak rentals are growing and should be encouraged, and ferry is being considered.	
14	A lack of summer workers for tourism oriented businesses has been identified. Funtown Splashtown USA, others who employ summer workers. The Maine Department of Labor, and the Chamber should work with the high schools to help identify people in the community for summer work.	
15	The local credit unions may have an interest in a consortium for small commercial lending. The BSAEDC has worked with the mutual savings bank on a consortium and might provide the structure for a similar joint effort for the credit unions.	
16	The City has developed a green brand in recent years with its environmental innovations and "America's first green Amtrak Station." This green brand has potency and should be used in marketing and promotional efforts.	
17	Focus on developing an appropriate mix of merchants and other businesses that will attract customers to the downtown.	
18	The Economic Development Commission should report on progress on this plan each year and update it when needed.	

	Continuing Recommendations	Update
1	The business visitation and retention program is an effective way to learn about the needs of current businesses in Saco and occasionally to hear about expansion and relocation, and to develop leads. This program has focused on businesses in the industrial parks in the past. It should also include small one and two person businesses with growth potential.	
2	Several commercial real estate brokers maintain relationships with businesses in the region and know of companies' expansion plans. The city has used frequent communication and the incentives of a real estate commission to tap this resource to identify expanding businesses and other leads, assist in their relocation, and to sell many of its industrial park lots. The use of this important technique should continue.	
3	Biddeford Saco Area Economic Development Corporation (BSAEDC) provides a valuable asset to Saco and the region's businesses by providing business financing and, with SMRPC, brownfields clean up loans. Support for these helpful programs and organizations should continue. A Saco downtown fund should be developed with BSAEDC when resources permit.	
4	The City has made sophisticated use of Tax Increment Financing (TIF) to develop business parks, to assist business financing, downtown rehabilitation, and to solve infrastructure and utility issues for relocating or expanding businesses. The judicious use of TIFs should continue. The City's TIF policy should be reviewed, and, if necessary, revised.	
5	The state's Community Development Block Grant (CDBG) program, the federal Economic Development Agency (EDA) program, and other state and federal programs have occasionally provided funds for industrial park expansion, downtown neighborhood rehabilitation, revolving loan funds, and direct loans and grants to businesses. The City and the BSAEDC should continue to pursue the resources in these programs to leverage local resources.	
6	Saco Island's redevelopment has long been encouraged by the city with flexible zoning, TIFs, real estate transactions, the transportation center, grants, and other support. The redevelopment of the island for both housing and office/commercial uses should continue to be pursued both for the development itself and for its positive impact on the downtown.	
7	The city code creates a system with the Economic Development Commission and an economic development fund to build and manage business parks. This system has proven itself since 1985 and should be continued.	
8	Maintaining and improving downtown Saco is an integral part of the city's economic development strategy, and a shared responsibility with the business community and Saco Spirit. The City should continue to support and work closely with Saco Spirit and the Chamber of Commerce.	
9	The City has worked closely with the Dyer Library/Saco Museum to create heritage tourism attractions and tours, such as the colorful "Main Street Walk" panels, the National Register District walking tour, the new permanent history	

Appendix A, Implementation Table

	exhibition at the museum, and the forthcoming Saco 3-D panels. The City should work with community groups on heritage tourism attractions.	
10	The Biddeford Saco Area Economic Development Corporation has worked with the Chamber, Saco Spirit, and Heart of Biddeford on the Buy Local program, which has the potential to assist Saco businesses. Support for this program should continue.	
11	Since there is a limited supply of prepared sites in Southern Maine for economic development, the City of Saco should continue its business park program to provide a continuous supply of suitable development sites that are serviced by public water and sewerage. As part of this effort, the City should consider acquiring and land banking suitable parcels for future development sites for manufacturing, distribution, research, large scale office and similar high quality economic activities, as these sites become available on the market.	
12	Attracting new businesses to Saco and accommodating the growth of existing businesses requires that the City continue to fund an ongoing economic development program.	
13	The Route One Corridor north of the I-195 Spur currently plays a variety of economic roles and is the location of a number of car dealerships and commercial recreational facilities. This area offers significant potential for the future commercial growth of the City and should be reserved for a wide range of retail, service, office, and light manufacturing uses which require a large amount of area and are therefore inappropriate in the downtown.	
14	The City is already recognized in the real estate community for its generally efficient permitting and for the delegation of state site law permitting. The permitting process was recently enhanced by the publication of a guide to the planning and permitting process. Continuous monitoring of feedback from users is also important.	

Appendix B Implementation Update City of Saco Economic Development Plan, December 2011

New Recommendations

Update

1	Update marketing efforts with new professionally	Done
	produced booklet, an attractive folder, and revised Mill	
	Brook Park information. The folder allows timely and	
	custom information to be inserted as needed.	
2	Update marketing efforts with an improved web presence	"Saco, Maine" Facebook page became
	incorporating materials developed for the print effort and	available and we worked with EDC Member
	with other new materials.	Tiffany Hampton to retain as a city-friendly
		page. Working on policy and structure of city
		effort.
3	A marketing program of sufficient frequency could help	Funding sources evaluated with state, fed,
	the City create a positive image as a business location. The	and regional agencies. None. TIF funding
	marketing program could be extended with an advertising	could qualify. Submitted budget for \$10,000
	budget large enough to allow a frequent continuous	but cut by Council. EDC ideas include
	presence in selected publications read by business	advertising in some business magazines and
	leaders. Pursue possible sources of funding to implement	attending some trade shows. We will do
	the program.	what limited budget allows in FY12.
4	The health of the Saco economy is closely tied to the	On-going. Economic Development District
	economic health of the entire region. Therefore, the City	approved June 30. This will become the
	should continue to work cooperatively with the cities of	organization through which federal aid is
	Biddeford, Scarborough and Old Orchard Beach, with	coordinated. Helped to organize new jobs
	Greater Portland, and with regional economic	fair, w regional partners. New initiative
	development organizations such as the BSAEDC and	"Mobilize Maine" under way in region.
	SMRPC and the Chamber of Commerce to foster the	
	economic prosperity of the region.	
5	UNE has a major and growing presence in the community	City, Chamber, Saco Spirit met w UNE.
	and is strategically involved with the growing health and	There is no orientation at UNE. Alternatives
	medical sectors in the region. In addition, its students are	discussed. Nor'easter Dollar program has
	residents of the community and customers for our	limited participation. Buck Nuts on Main
	businesses. The City should cultivate its relationship with	Street added to participants, & Thai
	UNE continuously, beginning with Saco Spirit participating	restaurant in Biddeford. 5 more Saco-Bid
	in the fall student orientation. The City should work with	businesses being considered.
	UNE, Saco Spirit, the Chamber of Commerce, and	
	merchants to encourage the adoption of the UNE	
	Nor'easter Dollars cash card program.	
6	UNE's strength in various medical disciplines, along with	Mayor and administrator met with UNE and

7	the growing presence of Southern Maine Medical Center, Maine Medical Center, VNS, and several orthopedic and physical therapy groups is evident in Saco. Medical uses have been growing generally in the region. The city should include in its efforts a focus on growth in medical and allied fields. Make this the first targeted business group for the visitation program. The City is already recognized in the real estate	SMCC. Met with Orthopedic Associates who has several suggestions on how to pursue. Eye group/no interest. Discussed dental school with Dean. Working with SMMC.
	community for its generally efficient permitting and for the delegation of state site law permitting. The permitting process could be enhanced by the publication of a guide to the planning and permitting process., as well as further feedback from users.	
8	Saco's core is attractive for downtown living. Additional housing in the downtown might assist the city in attracting young residents and would help provide additional customers for downtown businesses. Residential development in the downtown and Saco Island should be encouraged.	Working closely with Saco Island. Comprehensive plan made consistent with this goal. Amendment facilitating Saco Island development passed October 17,2011.
9	A new pedestrian bridge over the Saco River, from mill district to mill district, should be considered by the two cities and the mills district stakeholders and constructed if warranted.	MDOT grant will fund engineering and estimating, and likely construction. Design bid award pending
10	The Biddeford Saco Chamber of Commerce and Industry has many roles in the community, including an important role in tourism. The Chamber is now working with the state's tourism region program and local tourism-related businesses, including hotels and theme parks, to promote tourism in the region. Collaboration and weekend packages are among the possible areas for improvement. The City should support these Chamber-led efforts.	Chamber wrote letters and sent Guidebooks to over 400 interested individuals that responded to a Maine Beaches ad on Boston.com this summer encouraging them to visit. Chamber sent guidebooks to 8 tourism expos from Canada to Philadelphia. City advertised in Chamber Guidebook-great exposure from 20,000 copies Chamber working on package deals and special event rates and Buy Local program encouraging merchants to promote.
11	There are additional tourism opportunities at Camp Ellis and the beach. Fishing excursions have been identified as an area to be encouraged. Beach use is another.	The Chamber as added a striped bass tournament and a water taxi is being considered.
12	A lack of summer workers for tourism oriented businesses has been identified. Funtown Splashtown USA, others who employ summer workers. , the Maine Department of Labor, and the Chamber should organize a summer work fair each spring to help identify people in the community for summer work.	

13	The local credit unions may have an interest in a	Chamber, BSAEDC and Peter met with 3
13	consortium for small commercial lending. The BSAEDC has	credit unions. No interest in consortium, but
	worked with the mutual savings bank on a consortium and	one larger credit union will cooperate w
	might provide the structure for a similar joint effort for	BASAEDC on lending.
	the credit unions.	BASALDE ON ICHUMS.
14	The City has developed a green brand in recent years with	Will use in marketing materials. Main Street
1	its environmental innovations and "America's first green	conversion to LED complete. Merchant
	Amtrak Station." This green brand has potency and should	conversion to LED just beginning.
	be used in marketing and promotional efforts.	conversion to LLB just beginning.
15	Focus on developing an appropriate anchor for downtown	Saco Spirit Economic Restructuring
	development, i.e. a name brand that will attract	Committee restarting. Peter a member.
	customers to the downtown.	committee restarting. Feter a member.
16	The Economic Development Commission charge should	Council revised ordinance to say EDC should
10	include a requirement that it prepare a strategic	do one more plan, by year's end. EDC agrees
	development plan on a biennial basis and that it be	to update recent plan beginning in
	formally presented to the city council no later than 60	September.
	days after the council is sworn in.	September.
	adys area are council is sworn in:	
	Continuing Recommendations:	
1	The business visitation and retention program is an	Visitations in 2nd quarter include about 15
	effective way to learn about the needs of current	Main Street area businesses. First quarter
	businesses in Saco and occasionally to hear about	include Orthopedic Assocs, Wentworth
	expansion and relocation, and to develop leads. This	Technology, Quickprint Center, warehousing
	program has focused on businesses in the industrial parks	provider, Boise Structural Solutions,
	in the past. It should also include small one and two	Monkey Trunks, Casco Indemnity. Council
	person businesses with growth potential. Create and	declined to support major business survey.
	implement a visitation program with targeted questions to	, ,
	determine overall health of city/private business	
	relationships.	
2	Several commercial real estate brokers maintain	Met with three firms to update them on
	relationships with businesses in the region and know of	pricing revisions and opportunities in Saco
	companies' expansion plans. The city has used frequent	business parks. Continued frequent
	communication and the incentives of a real estate	communications.
	commission to tap this resource to identify expanding	
	businesses and other leads, assist in their relocation, and	
	to sell many of its industrial park lots. The use of this	
	important technique should continue.	
3	Biddeford Saco Area Economic Development Corporation	On-going
	(BSAEDC) provides a valuable asset to Saco and the	
	region's businesses by providing business financing and,	
	with SMRPC, brownfields clean up loans. Support for these	
1		
	helpful programs and organizations should continue.	

	Financing (TIF) to develop business parks, to assist business financing, downtown rehabilitation, and to solve infrastructure and utility issues for relocating or expanding businesses. The judicious use of TIFs should continue.	Anticipate rework of Saco Island TIF.
5	The state's Community Development Block Grant (CDBG) program, the federal Economic Development Agency (EDA) program, and other state and federal programs have occasionally provided funds for industrial park expansion, downtown neighborhood rehabilitation, revolving loan funds, and direct loans and grants to businesses. The City and the BSAEDC should continue to pursue the resources in these programs to leverage local resources.	On-going. SMEDD restructuring to SMRPC oriented region approved June 30. This restructuring could be important future source of grant funds. A five year effort. Brownfields grant likely on market Street.
6	Saco Island's redevelopment has long been encouraged by the city with flexible zoning, TIFs, real estate transactions, the transportation center, grants, and other support. The redevelopment of the island for both housing and office/commercial uses should continue to be pursued both for the development itself and for its positive impact on the downtown.	Several recent meetings and calls with the developer related to the university space and housing projects. Have assisted developer on environmental issues. University project completion scheduled for April 1.
7	The city code creates a system with the Economic Development Commission and an economic development fund to build and manage business parks. This system has proven itself since 1985 and should be continued.	On-going
8	Maintaining and improving downtown Saco is an integral part of the city's economic development strategy, and a shared responsibility with the business community and Saco Spirit. The City should continue to support and work closely with Saco Spirit.	On-going. Working on re-establishing economic restructuring committee with new members.
9	The City has worked closely with the Dyer Library/Saco Museum to create heritage tourism attractions and tours, such as the colorful "Main Street Walk" panels, the National Register District walking tour, the new permanent history exhibition at the museum, and the forthcoming Saco 3-D panels. The City should work with community groups on heritage tourism attractions.	Saco 3D under way. Contractor delays. Spring installation anticipated.
10	The Biddeford Saco Area Economic Development Corporation has worked with the Chamber, Saco Spirit, and Heart of Biddeford on the Buy Local program, which has the potential to assist Saco businesses. Support for this program should continue.	On-going. City contributes \$9000 per year to BSAEDC.
11	Since there is a limited supply of prepared sites in Southern Maine for economic development, the City of Saco should continue its business park program to provide	Not on front burner until a few more lots are sold in existing parks. Also, we are working to determine status of

	a continuous supply of suitable development sites that are serviced by public water and sewerage. As part of this effort, the City should consider acquiring and land banking suitable parcels for future development sites for manufacturing, distribution, research, large scale office and similar high quality economic activities, as these sites become available on the market.	vernal pools in Mill Brook and Spring Hill. Lot sold December 2011.
12	Attracting new businesses to Saco and accommodating the growth of existing businesses requires that the City continue to fund an ongoing economic development program.	On-going.
13	The Route One Corridor north of the I-195 Spur currently plays a variety of economic roles and is the location of a number of car dealerships and commercial recreational facilities. This area offers significant potential for the future commercial growth of the City and should be reserved for a wide range of retail, service, office, and light manufacturing uses which require a large amount of area and are therefore inappropriate in the downtown.	Comprehensive Plan completed March 2011 and takes this approach. Staff is working closely with a developer there, and has worked with a new recreational development.